

**VOTORANTIM** 100  
ANOS

# **Votorantim S.A.**

**Condensed consolidated  
interim financial statements  
at June 30, 2018 and  
review report**



(A free translation of the original in Portuguese)

## **Report on review of condensed consolidated interim financial statements**

To the Board of Directors and Stockholders  
Votorantim S.A.

### **Introduction**

We have reviewed the accompanying condensed consolidated interim balance sheet of Votorantim S.A. and its subsidiaries (the "Company") as at June 30, 2018, and the related condensed consolidated interim statements of income, comprehensive income and cash flows for the quarter and six-month period then ended, and the condensed consolidated interim statement of changes in equity for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and International Accounting Standard (IAS) 34 - Interim Financial Reporting, of the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### **Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and ISRE 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", respectively). A review of interim information consists in making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Votorantim S.A.

**Conclusion on the condensed consolidated interim financial statements**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements referred to above are not prepared, in all material respects, in accordance with CPC 21 and IAS 34.

Curitiba, August 3, 2018

PRICEWATERHOUSECOOPERS  
PricewaterhouseCoopers  
Auditores Independentes  
CRC 2SP000160/O-5

A handwritten signature in blue ink, appearing to read 'CEM'.

Carlos Eduardo Guaraná Mendonça  
Contador CRC 1SP196994/O-2

## Summary

### Condensed consolidated interim financial statements

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	Note	6/30/2018	12/31/2017
<b>Assets</b>			
Current assets			
Cash and cash equivalents	7	7,053	8,960
Financial investments	8	2,849	3,562
Derivative financial instruments	5.1.1	106	52
Trade receivables	9	3,188	2,421
Inventory	10	4,046	3,526
Taxes recoverable	11	1,447	1,317
Dividends receivable	13	1	148
Financial instruments - firm commitment	14	159	210
Other assets		534	784
		<u>19,383</u>	<u>20,980</u>
Assets classified as held-for-sale	30	4,245	2,199
		<u>23,628</u>	<u>23,179</u>
Non-current assets			
Long-term receivables			
Financial investments	8	22	25
Derivative financial instruments	5.1.1	302	138
Financial instruments - put option	12	764	
Taxes recoverable	11	1,694	1,784
Related parties	13	319	143
Deferred income tax and social contribution	20 (b)	4,614	4,079
Judicial deposits	22 (b)	853	765
Financial instruments - firm commitment	14	72	154
Other assets		746	667
		<u>9,386</u>	<u>7,755</u>
Investments	15 (b)	10,105	13,372
Property, plant and equipment	16	25,629	25,935
Intangible assets	17	13,764	12,363
Biological assets		66	65
		<u>58,950</u>	<u>59,490</u>
<b>Total assets</b>		<u>82,578</u>	<u>82,669</u>

	Note	6/30/2018	12/31/2017
<b>Liabilities and equity</b>			
Current liabilities			
Borrowing	18	1,232	2,573
Derivative financial instruments	5.1.1	252	299
Confirming payables	19	990	909
Trade payables		3,963	3,514
Salaries and payroll charges		742	895
Taxes payable		465	617
Advances from clients		236	408
Dividends payable	13	63	188
Use of public assets		77	76
Financial instruments - firm commitment	14	5	1
Deferred revenue - performance obligations	21	245	246
Deferred revenue - silver streaming		116	104
Other liabilities		681	643
		9,067	10,473
Liabilities related to assets held-for-sale	30	3	1,526
		9,070	11,999
Non-current liabilities			
Borrowing	18	23,504	22,057
Derivative financial instruments	5.1.1	123	83
Deferred income tax and social contribution	20 (b)	2,183	1,965
Related parties	13	21	25
Provision	22 (a)	2,601	2,587
Use of public assets		1,103	1,056
Pension plan		373	317
Financial instruments - firm commitment	14	176	207
Deferred revenue - performance obligations	21	151	272
Deferred revenue - silver streaming		696	630
Other liabilities		647	656
		31,578	29,855
Total liabilities		40,648	41,854
<b>Equity</b>			
Share capital	23 (a)	28,656	28,656
Revenue reserves		6,181	6,569
Retained (loss) earnings		(228)	
Carrying value adjustments	23 (c)	1,771	733
Total equity attributable to the owners of the Company		36,380	35,958
Non-controlling interests		5,550	4,857
Total equity		41,930	40,815
Total liabilities and equity		82,578	82,669

	Note	4/1/2018 to 6/30/2018	4/1/2017 to 6/30/2017	1/1/2018 to 6/30/2018	1/1/2017 to 6/30/2017
			Restyled (Note 2.2)		Restyled (Note 2.2)
<b>Continuing operations</b>					
Net revenue from products sold and services rendered	24	8,201	6,695	14,986	12,357
Cost of products sold and services rendered	25	(6,593)	(5,417)	(12,143)	(10,118)
<b>Gross profit</b>		<b>1,608</b>	<b>1,278</b>	<b>2,843</b>	<b>2,239</b>
<b>Operating income (expenses)</b>					
Selling	25	(202)	(178)	(388)	(332)
General and administrative	25	(504)	(443)	(983)	(932)
Other operating income (expenses), net	27	173	94	119	(240)
		<b>(533)</b>	<b>(527)</b>	<b>(1,252)</b>	<b>(1,504)</b>
<b>Operating profit before equity results and finance results</b>		<b>1,075</b>	<b>751</b>	<b>1,591</b>	<b>735</b>
<b>Results from equity investments</b>					
Equity in the results of investees	15 (b)	52	350	441	484
Realization of other comprehensive income on disposal of investments			(1)		3
		<b>52</b>	<b>349</b>	<b>441</b>	<b>487</b>
<b>Finance results, net</b>					
Finance income	28	311	478	537	770
Finance costs		(726)	(625)	(1,283)	(1,262)
Result of derivative financial instruments		173	81	170	(87)
Foreign exchange losses, net		(661)	(131)	(717)	(97)
		<b>(903)</b>	<b>(197)</b>	<b>(1,293)</b>	<b>(676)</b>
<b>Profit before income tax and social contribution</b>		<b>224</b>	<b>903</b>	<b>739</b>	<b>546</b>
<b>Income tax and social contribution</b>					
Current	20 (a)	(87)	(118)	(289)	(204)
Deferred		(3)	(38)	(56)	(48)
<b>Profit from continuing operations</b>		<b>134</b>	<b>747</b>	<b>394</b>	<b>294</b>
<b>Discontinued operations</b>					
Loss on discontinued operations		(51)	(193)	(161)	(286)
<b>Profit for the period attributable to the owners of the Company</b>		<b>83</b>	<b>554</b>	<b>233</b>	<b>8</b>
Profit attributable to the owners of the Company		94	583	146	10
Profit (loss) attributable to non-controlling interests		(11)	(29)	87	(2)
<b>Profit for the period</b>		<b>83</b>	<b>554</b>	<b>233</b>	<b>8</b>
Weighted average number of shares - thousands (to the owners of the Company)		18,278,789	18,278,789	18,278,789	18,278,789
<b>Basic and diluted earnings per thousand shares, in reais</b>		<b>5.14</b>	<b>31.89</b>	<b>7.99</b>	<b>0.55</b>
From continuing operations					
<b>Basic and diluted earnings per thousand shares, in reais</b>		<b>7.93</b>	<b>42.45</b>	<b>16.80</b>	<b>16.20</b>
From discontinued operations					
<b>Basic and diluted loss per thousand shares, in reais</b>		<b>(2.79)</b>	<b>(10.56)</b>	<b>(8.81)</b>	<b>(15.65)</b>

# Condensed consolidated interim statement of comprehensive income

Periods ended June 30

All amounts in millions of reais

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	Note	4/1/2018 to 6/30/2018	4/1/2017 to 6/30/2017	1/1/2018 to 6/30/2018	1/1/2017 to 6/30/2017
<b>Profit for the period</b>		<b>83</b>	<b>554</b>	<b>233</b>	<b>8</b>
<b>Other components of comprehensive income to be subsequently reclassified to profit or loss</b>					
<b>Attributable to the owners of the Company</b>					
Foreign exchange variations attributable to the owners of the Company	23 (c)	1,857	1,140	1,987	539
Hedge accounting for net investments abroad, net of taxes	5.1.2 and 23 (c)	(988)	(464)	(1,052)	(224)
Hedge accounting for the operations of subsidiaries	23 (c)	(118)	14	(112)	(52)
Fair value of financial assets available-for-sale of the non-consolidated investments	23 (c)	(2)	(25)	69	(37)
Realization of comprehensive income on the disposal of investments	23 (c)		(82)		(85)
Share in other comprehensive income of investees	23 (c)				19
<b>Attributable to non-controlling</b>					
Foreign exchange variations attributable to non-controlling interests		699	76	729	44
Hedge accounting for the operations of subsidiaries		(1)		(1)	
Share in other comprehensive income of investees			22		49
		<b>1,447</b>	<b>681</b>	<b>1,620</b>	<b>253</b>
<b>Other components of comprehensive income that will not be reclassified to profit or loss</b>					
<b>Attributable to the owners of the Company</b>					
Remeasurement of retirement benefits, net of tax effects	23 (c)	(6)	(2)	(9)	(3)
<b>Attributable to non-controlling</b>					
Remeasurement of retirement benefits, net of taxes		(2)		(2)	
<b>Other components of comprehensive income for the period</b>		<b>1,439</b>	<b>679</b>	<b>1,609</b>	<b>250</b>
<b>Comprehensive income (loss) from</b>					
Continuing operations		1,573	1,426	2,003	544
Discontinued operations		(51)	(193)	(161)	(286)
		<b>1,522</b>	<b>1,233</b>	<b>1,842</b>	<b>258</b>
<b>Comprehensive income attributable to</b>					
Owners of the Company		837	1,164	1,029	167
Non-controlling interests		685	69	813	91
		<b>1,522</b>	<b>1,233</b>	<b>1,842</b>	<b>258</b>



## Condensed consolidated interim statement of changes in equity

Semester ended June 30

All amounts in millions of reais unless otherwise stated

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	Attributable to the owners of the Company									
	Note	Revenue reserves				Retained (loss) earnings	Carrying value adjustments	Total	Non-controlling interests	Total equity
		Share capital	Tax incentives	Legal	Profit retention					
<b>At January 1, 2017</b>		28,656	10	654	5,590		1,255	36,165	2,658	38,823
Profit (loss) for the semester						10		10	(2)	8
Other comprehensive income							157	157	93	250
<b>Comprehensive income for the semester</b>						<b>10</b>	<b>157</b>	<b>167</b>	<b>91</b>	<b>258</b>
Dividends					(133)			(133)	(30)	(163)
<b>Total contributions and distributions to shareholders</b>					<b>(133)</b>			<b>(133)</b>	<b>(30)</b>	<b>(163)</b>
<b>At June 30, 2017</b>		28,656	10	654	5,457	10	1,412	36,199	2,719	38,918
<b>At January 1, 2018</b>		28,656	10	684	5,875		733	35,958	4,857	40,815
Initial adoption of IFRS 9	3.1.2					(374)		(374)		(374)
<b>At January 1, 2018, after the impacts of the adoption of IFRS 9</b>		28,656	10	684	5,875	(374)	733	35,584	4,857	40,441
Profit for the semester						146		146	87	233
Other comprehensive income							883	883	726	1,609
<b>Comprehensive income (loss) for the semester</b>						<b>146</b>	<b>883</b>	<b>1,029</b>	<b>813</b>	<b>1,842</b>
Allocation of net income for the semester										
Dividends	23 (b)				(528)			(528)	(25)	(553)
Reversal of deliberate dividends	23 (b)				140			140		140
Goodwill on the issuance of shares of VTRM Energia Participações S.A.	23 (c)						155	155		155
Share premium distribution - NEXA	1.1 (b)								(95)	(95)
<b>Total contributions and distributions to shareholders</b>					<b>(388)</b>		<b>155</b>	<b>(233)</b>	<b>(120)</b>	<b>(353)</b>
<b>At June 30, 2018</b>		28,656	10	684	5,487	(228)	1,771	36,380	5,550	41,930

	Note	4/1/2018 to 6/30/2018	4/1/2017 to 6/30/2017	1/1/2018 to 6/30/2018	1/1/2017 to 6/30/2017
<b>Cash flow from operating activities</b>					
Profit before income tax and social contribution		224	903	739	546
Loss on discontinued operations		(51)	(193)	(161)	(286)
Adjustments to items that do not represent changes in cash and cash equivalents					
Depreciation, amortization and depletion	25	637	579	1,246	1,171
Equity in the results of investees	15 (b)	(52)	(350)	(441)	(484)
Realization of other comprehensive income in the sale of investments			(85)		(85)
Interest, indexation and foreign exchange variations		271	159	381	508
Reversal for the impairment of fixed, intangible assets and investments	15, 16, 17	(4)	(11)	(11)	(37)
Loss (gain) on sales of fixed and intangible assets, net	27		(10)	(7)	14
Net gain on sale of investment	27	(8)	(16)	(8)	(16)
Allowance for doubtful accounts		46	5	82	3
Fair value adjustment	18 (b)	(22)	21	(39)	38
Constitution (reversal) of provision		86	(271)	156	(162)
Derivative financial instruments	5.1.1	28	(86)	(58)	51
Financial instruments - firm commitment	14	25	102	106	314
Gain by adjustment to fair value in deconsolidation of VTRM	27	(147)		(147)	
Net gain from financial instrument - put option	28	(92)		(92)	
Change in fair value of biological assets		4	(1)	6	3
		<b>945</b>	<b>746</b>	<b>1,752</b>	<b>1,578</b>
Decrease (increase) in assets					
Financial investments		359	(353)	921	(277)
Derivative financial instruments		2	(21)	(58)	(58)
Trade accounts receivable		(300)	(272)	(781)	(444)
Inventory		(331)	70	(588)	17
Taxes recoverable		(120)	62	(40)	108
Related parties		(101)	320	(180)	344
Other accounts receivable and other assets		232	(16)	52	236
Increase (decrease) in liabilities					
Trade payables		632	459	449	83
Salaries and social charges		187	137	(153)	(185)
Use of public assets		137	(35)	123	(23)
Taxes payable		149	30	(20)	121
Other obligations and other liabilities		(348)	(350)	(34)	(734)
<b>Cash provided by operating activities</b>		<b>1,443</b>	<b>777</b>	<b>1,443</b>	<b>766</b>
Interest paid on borrowing and use of public assets		(434)	(403)	(725)	(728)
Income tax and social contribution paid		(182)	(145)	(421)	(297)
<b>Net cash provided by (used in) operating activities</b>		<b>827</b>	<b>229</b>	<b>297</b>	<b>(259)</b>

	Note	4/1/2018 to 6/30/2018	4/1/2017 to 6/30/2017	1/1/2018 to 6/30/2018	1/1/2017 to 6/30/2017
<b>Cash flow from investment activities</b>					
Proceeds from disposals of fixed and intangible assets		45	59	96	30
Proceeds from sales of investments			4	31	29
Dividends received		132	204	152	226
Acquisitions of property, plant and equipment	16	(514)	(729)	(856)	(1,297)
Increase in biological assets		(7)	1	(10)	(1)
Increase in intangible assets	17	6	(1)	(1)	(13)
<b>Net cash used in investment activities</b>		<b>(338)</b>	<b>(462)</b>	<b>(588)</b>	<b>(1,026)</b>
<b>Cash flow from financing activities</b>					
New borrowing	18 (b)	1,493	2,357	2,088	3,568
Repayment of borrowing	18 (b)	(1,885)	(1,791)	(3,846)	(2,874)
Derivative financial instruments	5.1.1	43	(34)	(7)	(115)
Dividends paid		(530)	(156)	(538)	(160)
Share premium Nexa paid				(95)	
<b>Net cash provided by (used in) financing activities</b>		<b>(879)</b>	<b>376</b>	<b>(2,398)</b>	<b>419</b>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>(390)</b>	<b>143</b>	<b>(2,689)</b>	<b>(866)</b>
Cash effect of VTRM deconsolidation	1.1 (c)	(14)		(14)	
Effect of fluctuations in exchange rates		739	600	796	481
<b>Cash and cash equivalents at the beginning of the period</b>		<b>6,718</b>	<b>5,818</b>	<b>8,960</b>	<b>6,946</b>
<b>Cash and cash equivalents at end of period</b>		<b>7,053</b>	<b>6,561</b>	<b>7,053</b>	<b>6,561</b>
<b>Non-cash transactions</b>					
Goodwill reflects the shares issued by VTRM Energia Participações SA	1.1 (c)	155		155	

## 1 General considerations

Votorantim S.A. (the "Company", the "parent company", or "VSA"), formerly known as Votorantim Industrial S.A., is a privately held company, fully controlled by the Ermírio de Moraes family, and is the holding company of the Votorantim Group. With its headquarters in the city of São Paulo, Brazil, the Company's purpose is to manage assets and companies, as well as to invest in other companies in order to further its objectives.

The Company, through its subsidiaries and associates, operates in the following segments: cement, zinc and its by-products, aluminum, electricity, steel, wood pulp, agribusiness and finance.

### 1.1 Main events that occurred during the first semester of 2018

#### (a) Votorantim and ArcelorMittal conclude long steel operation Brazil

On February 22, 2017, ArcelorMittal Brasil S.A. ("AMB") and VSA entered into an agreement under which Votorantim Siderurgia S.A. ("VS") will become a subsidiary of AMB and VSA will hold a minority interest of 15% in the combined long steel business.

On February 7, 2018, the Administrative Council for Economic Defense ("CADE") approved, pursuant to Concentration Act 08700.002165/2017-97.

As at April 1, 2018, Votorantim Siderurgia became a subsidiary of AMB under the corporate name of ArcelorMittal Sul Fluminense S.A.. On the same date, the Company received 15% of the combined long steel business of AMB, which, in compliance with accounting rules, was recognized at fair value as a financial instrument, in accordance with CPC 48 – "Financial Instruments" (Note 12).

Votorantim's long steel operations in Argentina (Acerbrag) and Colombia (PazdelRío) were not included in the transaction and continue to be consolidated in the Company's balance sheet or assets.

#### (b) Reimbursement of share premium Nexa Resources S.A.

On February 15, 2018, the Board of Directors approved the reimbursement of a share premium of US\$ 0.60 cents per ordinary share to shareholders, of which R\$ 171 to controlling shareholders and R\$ 95 to non-controlling shareholders of record at the close of business on March 14, 2018 and paid on March 28, 2018.

#### (c) Formation of joint venture with strategic investor

All regulatory approvals were obtained on May 29, 2018 and the compliance was achieved in all conditions precedent necessary to carry out the operations set forth in the Subscription and Investment Agreement entered into by Votorantim Geração de Energia S.A. ("VGE") and the Canadian Pension Plan Investment Board ("CPPIB"), and in the Share Purchase and Sale Agreement entered into by VGE, CPPIB and Salus - Investment Fund for Multistrategy Holdings, both executed on December 13, 2017.

Additionally, on May 29, 2018, VGE and CPPIB resolved at an extraordinary shareholders' meeting a capital increase in the investee VTRM Energia Participações S.A. ("VTRM") in the amount of R\$ 49 and R\$ 664, respectively, through issuance of 25,689 and 345,737 thousand common shares, respectively, at an issue price of R\$ 1.92004907. This capital increase generated a significant increase in investment, in the amount of R\$ 155, which was recognized as a contra entry to the item "Adjustment to equity valuation" (Note 23 (c)).

After the completion of the operation, VGE ceased to have a 100% stake and consequently control over VTRM and its subsidiaries. It came to and to hold joint control in this investment platform ("joint venture") with CPPIB, since both investors have a 50% interest in this company and all strategic, financial and operational decisions must be taken unanimously. As a result of the loss of control and maintenance of shared control, VGE deconsolidated the previous investment in VTRM and its subsidiaries on May 29, 2018, and recorded the remaining portion of the investment at fair value, recognizing a gain of R\$ 147 under item "Other operating income (expenses), net" (Note 27). After the initial registration, the investment in the joint venture was recognized using the equity method.

The balances at the periods ended of deconsolidation on May 29, 2018 were as follows:

	5/29/2018		5/29/2018
<b>Assets</b>		<b>Liabilities and equity</b>	
<b>Current assets</b>		<b>Current liabilities</b>	
Cash and cash equivalents	14	Borrowing	65
Financial investments	68	Trade payables	4
Trade receivables	19	Taxes payable	2
Other assets	7	Other liabilities	6
	108		77
<b>Non-current assets</b>		<b>Non-current liabilities</b>	
Long-term receivables		Borrowing	844
Liquidity Fund - Reserve Account	3	Related parties	83
Other assets	10	Provision	21
	13	Other liabilities	22
			970
Investments	713	<b>Total liabilities</b>	<b>1,047</b>
Property, plant and equipment	1,231		
	1,944	<b>Equity</b>	
		Share capital	699
		Capital reserves	334
		Loss earnings	(15)
		<b>Total equity</b>	<b>1,018</b>
<b>Total assets</b>	<b>2,065</b>	<b>Total liabilities and equity</b>	<b>2,065</b>

**(d) Corporate reorganization of Fibria Celulose S.A. ("Fibria")**

On March 15, 2018, the Company collectively with BNDES Participações S.A. – BNDESPAR (jointly, "Fibria's Controlling Shareholders"), Suzano Holding S.A. and the other controlling shareholders of Suzano Papel e Celulose S.A. (jointly, "Suzano's Controlling Shareholders"), entered into an agreement to combine the operations and shareholding basis of Suzano and Fibria, through a corporate reorganization (Note 30).

## 2 Presentation of the condensed consolidated interim financial statements

### 2.1 Basis of preparation

**(a) Condensed consolidated interim financial statements**

The condensed consolidated interim financial statements have been prepared in accordance with Technical Pronouncement CPC 21 - (R1) "Interim Financial Reporting", issued by the Brazilian Accounting Pronouncements Committee ("CPC") and IAS 34 "Interim Financial Reporting", issued by the International Accounting Standards Board ("IASB"), and show all relevant information pertinent to the interim financial statements which is consistent with the information used by management in carrying out its duties.

Therefore, the interim condensed consolidated financial statements on June 30, 2018 do not contain all explanatory notes and disclosures required by the accounting standards applicable to the annual financial statements, as its purpose is to provide an update on changes to the significant activities, events and circumstances relative to those financial statements. As a consequence, they should be read together with the consolidated financial statements at December 31, 2017, issued on March 21, 2018 and available on the investor relations website ([www.votorantim.com.br/ri](http://www.votorantim.com.br/ri)).

The condensed consolidated interim financial statements have been prepared in a manner consistent with the accounting policies disclosed in the consolidated financial statements at December 31, 2017.

(b) Approval of the financial statements

The Board of Directors approved the condensed consolidated interim financial statements for issue on August 3, 2018.

2.2 Restatement of comparative figures

(a) Assets classified as held-for-sale

In accordance with IFRS 5/CPC 31 - "Non-current assets held-for-sale and discontinued operations", the Company reclassified certain cement operations from China and the states of Florida and California (USA) and long steel operations in Brazil from continuing operations to discontinued operations.

Also due to the application of IFRS 15/CPC 47 - Revenue from contracts with customers, there were changes in accounting practices that resulted in reclassifications in the result of June 30, 2017, as described in Note 3.1.

	1/1/2017 to 6/30/2017						
	As prior presented	Impacts of reclassification of cement	Reclassification of personnel expenses (VGE)	Reclassification of mineral exploration projects	Effect of reclassification CPC 47 / IFRS 15	Effect of reclassification of long steel operations in Brazil	Balance restated
<b>Continuing operations</b>							
Net revenue from products sold and services rendered	12,757	(400)					12,357
Cost of products sold and services rendered	(10,026)	348	(7)		(433)		(10,118)
<b>Gross profit (loss) profit</b>	<b>2,731</b>	<b>(52)</b>	<b>(7)</b>		<b>(433)</b>		<b>2,239</b>
<b>Operating income (expenses)</b>							
Selling	(769)	8			429		(332)
General and administrative	(973)	11	7	18	4	1	(932)
Other operating income (expenses), net	(533)	100		(18)		211	(240)
	(2,275)	119	7		433	212	(1,504)
<b>Operating profit before equity results and finance results</b>	<b>456</b>	<b>67</b>				<b>212</b>	<b>735</b>
<b>Results from equity investments</b>							
Equity in the results of investees	495	(11)					484
Realization of other comprehensive income on disposal of investments	4					(1)	3
	499	(11)				(1)	487
<b>Finance results, net</b>							
Finance income	770	(1)				1	770
Finance costs	(1,266)	5				(1)	(1,262)
Income from derivative financial instruments	(87)						(87)
Foreign exchange, net	(143)	47				(1)	(97)
	(726)	51				(1)	(676)
<b>Profit before income tax and social contribution</b>	<b>229</b>	<b>107</b>				<b>210</b>	<b>546</b>
<b>Income tax and social contribution</b>							
Current	(204)						(204)
Deferred	18	4				(70)	(48)
<b>Profit for the continuing operations</b>	<b>43</b>	<b>111</b>				<b>140</b>	<b>294</b>
<b>Discontinued operations</b>							
Loss for the discontinued operations	(35)	(111)				(140)	(286)
<b>Profit for the semester attributable to the owners</b>	<b>8</b>						<b>8</b>
Profit attributable to the owners of the Company	10						10
Loss attributable to non-controlling interests	(2)						(2)
<b>Profit for the semester</b>	<b>8</b>						<b>8</b>
Weighted average number of shares - thousands (to the owners of the Company)	18,278,789						18,278,789
<b>Basic and diluted earnings per thousand shares, in reais</b>	<b>0.55</b>						<b>0.55</b>
From continuing operations							
<b>Basic and diluted earnings per thousand shares, in reais</b>	<b>2.46</b>	<b>6.07</b>				<b>7.67</b>	<b>16.20</b>
From discontinued operations							
<b>Basic and diluted loss per thousand shares, in reais</b>	<b>(1.91)</b>	<b>(6.07)</b>				<b>(7.67)</b>	<b>(15.65)</b>

4/1/2017 to 6/30/2017

	As prior presented	Impacts of reclassification of cement	Reclassification of personnel expenses (VGE)	Reclassification of mineral exploration projects	Effect of reclassification CPC 47 / IFRS 15	Effect of reclassification of long steel operations in Brazil	Balance restated
<b>Continuing operations</b>							
Net revenue from products sold and services rendered	6,912	(217)					6,695
Cost of products sold and services rendered	(5,346)	175	(4)		(242)		(5,417)
<b>Gross profit (loss) profit</b>	<b>1,566</b>	<b>(42)</b>	<b>(4)</b>		<b>(242)</b>		<b>1,278</b>
<b>Operating income (expenses)</b>							
Selling	(420)	5			238	(1)	(178)
General and administrative	(467)	8	4	9	4	(1)	(443)
Other operating income (expenses), net	(79)	101		(9)		81	94
	(966)	114	4		242	79	(527)
<b>Operating profit before equity results and finance results</b>	<b>600</b>	<b>72</b>				<b>79</b>	<b>751</b>
<b>Results from equity investments</b>							
Equity in the results of investees	357	(8)				1	350
Realization of other comprehensive income on disposal of investments	1	(1)				(1)	(1)
	358	(9)					349
<b>Finance results, net</b>							
Finance income	477	1					478
Finance costs	(625)	1				(1)	(625)
Income from derivative financial instruments	81						81
Foreign exchange, net	(169)	38					(131)
	(236)	40				(1)	(197)
<b>Profit before income tax and social contribution</b>	<b>722</b>	<b>103</b>				<b>78</b>	<b>903</b>
<b>Income tax and social contribution</b>							
Current	(117)	(1)					(118)
Deferred	(17)	3				(24)	(38)
<b>Profit for the continuing operations</b>	<b>588</b>	<b>105</b>				<b>54</b>	<b>747</b>
<b>Discontinued operations</b>							
Loss for the discontinued operations	(34)	(105)				(54)	(193)
<b>Profit for the quarter attributable to the owners</b>	<b>554</b>						<b>554</b>
Profit attributable to the owners of the Company	583						583
Loss attributable to non-controlling interests	(29)						(29)
<b>Profit for the quarter</b>	<b>554</b>						<b>554</b>
Weighted average number of shares - thousands (to the owners of the Company)	18,278,789						18,278,789
<b>Basic and diluted earnings per thousand shares, in reais</b>	<b>31.89</b>						<b>31.89</b>
From continuing operations							
<b>Basic and diluted earnings per thousand shares, in reais</b>	<b>33.75</b>	<b>5.74</b>				<b>2.96</b>	<b>42.45</b>
From discontinued operations							
<b>Basic and diluted loss per thousand shares, in reais</b>	<b>(1.86)</b>	<b>(5.74)</b>				<b>(2.96)</b>	<b>(10.56)</b>

### 3 Changes in accounting policies and disclosures

In the semester ended June 30, 2018, there were no changes in accounting standards and policies when compared to the last financial statements.

#### 3.1 Transition of standards

##### 3.1.1 CPC 47/IFRS 15 – “Revenue from contracts with customers”

The Company and its subsidiaries adopted IFRS 15 as of January 1, 2018. This resulted in changes in accounting practices linked to the performance obligation related to the freight delivery of products to customers and, consequently, resulted in changes in comparative balances.

According to the standard, the Company and its subsidiaries made the changes retrospectively in the balances originally presented on June 30, 2017, according to Note 2.2 - Restatement of comparative figures. On June 30, 2018, the amount reclassified was R\$ 433.

##### 3.1.2 CPC 48/IFRS 9 - "Financial instruments: Recognition and measurement"

###### (i) Classification and measurement

The changes in accounting policies resulting from the adoption of IFRS 9 / CPC 48 have been applied since January 1, 2018 and have not generated effects on the measurement of financial assets and liabilities of the Company and its subsidiaries.

###### (ii) Impairment

The Company and its subsidiaries adopted the new accounting standard as of January 1, 2018 and applied the simplified approach to recognize the expected credit loss for trade accounts receivable. The methodology for calculating the provision for losses is based on a risk matrix, which was composed of historical data of losses for all aging lists and prospective data, including considering the securities to be matched.

The initial impact of adoption was an amount of R\$ 374 in the consolidated statements as from January 1, 2018, recognized in equity to the amount of R\$ 370, which was substantially composed by the adoptions made by Banco Votorantim S.A.

###### (iii) Hedge accounting

The Company and its subsidiaries analyzed the economic relationship, credit risk and the hedge ratio of the current net investment hedge operations and concluded that they will continue to qualify for hedge accounting with the adoption of IFRS 9 / CPC 48. As this standard does not change the general principles of accounting of effective hedges, there was no impact as a result of the application of IFRS 9 / CPC 48.

##### 3.1.3 CPC 6/IFRS 16 - "Leasing"

The Company and its subsidiaries will apply IFRS 16 / CPC 6 as of January 1, 2019 and expect to disclose the quantitative effect of the adoption and its approach on the transition date.

### 4 Critical accounting estimates and judgments

In the semester ended June 30, 2018, there were no changes in estimates and assumptions that present a significant risk and probability of causing material adjustments to the carrying amounts of assets and liabilities for the current fiscal year, compared to those detailed in the latest annual financial statements.



## 5 Financial risk management

### 5.1 Financial risk factors

#### (a) Foreign-exchange risk

The Company has certain investments in foreign operations, the net assets of which are exposed to foreign-exchange risk. Foreign-exchange exposure arising from the Company's foreign operations is mainly hedged by borrowings in the same currency of these investments, being classified as net investment hedges.

Presented below are the accounting balances of assets and liabilities indexed to foreign currency at the closing date of the balance sheets:

	Note	6/30/2018	12/31/2017
<b>Assets denominated in foreign currency</b>			
Cash and cash equivalents	7	5,092	6,062
Trade receivables		1,806	1,192
Derivative financial instruments		407	189
Financial investments	8	173	326
Related parties		62	67
		<b>7,540</b>	<b>7,836</b>
<b>Liabilities denominated in foreign currency</b>			
Borrowing (*)		20,874	17,817
Trade payables		2,359	1,955
Confirming payables	19	805	761
Derivative financial instruments		375	382
Deferred revenue - silver streaming		812	734
		<b>25,225</b>	<b>21,649</b>
<b>Net exposure</b>		<b>(17,685)</b>	<b>(13,813)</b>

(\*) Does not consider new borrowing costs.

#### (b) Liquidity risk

The following table analyzes the Company's principal financial liabilities by maturity, corresponding to the period remaining in the balance sheet up to the contractual maturity date. Derivative financial liabilities are included in the analysis when their contractual maturities are essential for an understanding of the temporary cash flows. The amounts disclosed in the table are the undiscounted contractual cash flows, and these amounts may not be reconciled with the amounts disclosed in the balance sheet.

	Note	Up to one year	From one to three years	From three to five years	From five to ten years	From ten years	Total
<b>At June 30, 2018</b>							
Borrowing (*)		2,274	7,769	8,502	10,205	8,617	37,367
Derivative financial instruments		252	95	28			375
Confirming payables	19	990					990
Trade payables		3,963					3,963
Dividends payable	13	63					63
Related parties		21					21
Use of public assets		44	99	114	333	899	1,489
		<b>7,607</b>	<b>7,963</b>	<b>8,644</b>	<b>10,538</b>	<b>9,516</b>	<b>44,268</b>
<b>At December 31, 2017</b>							
Borrowing (*)		3,603	5,531	6,970	12,941	7,931	36,976
Derivative financial instruments		310	63	9			382
Confirming payables	19	909					909
Trade payables		3,514					3,514
Dividends payable	13	188					188
Related parties		19	6				25
Use of public assets		79	170	192	591	1,637	2,669
		<b>8,622</b>	<b>5,770</b>	<b>7,171</b>	<b>13,532</b>	<b>9,568</b>	<b>44,663</b>

(\*) Does not include the recorded fair value of the debts contracted under Resolution 4131.

### 5.1.1 Derivatives contracted

#### (a) Effect of the derivative financial instruments in the balance sheet and cash flow

The table below summarizes the derivative financial instruments and the underlying hedged items:

##### Details of the main derivative operations

Programs	Principal Value			Purchase/ sale	Average FWD rate	Average term (days)	Fair value		Realized gain (loss)		Fair value by maturity					
	6/30/2018	12/31/2017	As per unit				6/30/2018	12/31/2017	6/30/2018	2018	2019	2020	2021	2022	2023+	
<b>Sales at a fixed price</b>																
Zinc forward	5,686	2,318	ton	P	3,090	USD/ton	68	(3.7)	2.1	1.0	(3.3)	(0.5)				
								(3.7)	2.1	1.0	(3.3)	(0.5)				
<b>Hedging instruments for mismatches of quotation quarter</b>																
Zinc forward	158,645	281,397	ton	P/S			18	38.4	(16.3)	(11.9)	38.4					
Silver forward		238	k oz (*)	P/S					0.6	0.2						
Aluminum forward	10,595	6,850	ton	P/S			89	3.0	(0.2)	0.1	3.0					
								41.4	(15.9)	(11.6)	41.4					
<b>Hedging instruments for the operating margin of metals</b>																
Aluminum forward	13,750	18,970	ton	S	2,014	USD/ton	2	(12.0)	(21.9)		(12.0)					
US Dollar forward	28	33	USD	S	3	BRL/USD	2	(10.4)	8.9		(10.4)					
								(22.4)	(13.0)		(22.4)					
<b>Hedging instruments for foreign exchange exposure</b>																
US Dollar forward		451	USD	P		BRL/USD			(21.2)	8.0						
Turkish lira forward	4	26	USD	P	5	TRY/USD	207	(0.5)	0.4	0.1		(0.5)				
								(0.5)	(20.8)	8.1		(0.5)				
<b>Hedging instruments for debts</b>																
TJLP floating rate vs. CDI floating rate swaps	28	28	BRL		97.00%	% CDI	17	0.8	1.0	0.5	0.8					
LIBOR floating rate vs. CDI floating rate swaps	323	254	USD		107.39%	% CDI	1,137	157.2	42.4	33.3	(7.7)	(29.2)	10.4	91.3	(15.9)	108.4
US dollar fixed rate vs. CDI floating rate swaps		50	USD						(42.7)	(49.1)						
LIBOR floating rate vs. COP fixed rate swaps	10		USD		5.45%	Pré COP	161	0.8			0.8					
								158.8	0.7	(15.3)	(6.1)	(29.2)	10.4	91.3	(15.9)	108.4
								173.6	(46.9)	(17.8)	9.6	(30.2)	10.4	91.3	(15.9)	108.4

(\*) k oz - Ounces troy

Details of the main derivative operations

Programs	Principal Value		As per unit	Purchase/ sale	Average FWD rate	Average term (days) of maturity	Fair value		Realized gain (loss)		Fair value by maturity				
	6/30/2018	12/31/2017					6/30/2018	12/31/2017	6/30/2018	2018	2019	2020	2021	2022	2023+
<b>Hedge accounting - cash flow hedge</b>															
<b>Hedging instruments for the operating margin of metals</b>															
Aluminum forward	148,500	165,175	ton	S	2,147 USD/ton	185	2.4	(143.2)	(77.8)	(21.2)	23.6				
US Dollar forward	319	334	USD	S	3 BRL/USD	189	(136.8)	0.1	10.8	(73.2)	(63.6)				
							<b>(134.4)</b>	<b>(143.1)</b>	<b>(67.0)</b>	<b>(94.4)</b>	<b>(40.0)</b>				
<b>Hedging instruments for mismatches of quotation quarter</b>															
Zinc forward	16,780	58,800	ton	P/S		56	(7.6)	9.9	2.9	(7.6)					
Silver forward		265	k oz (*)	P/S				(0.2)	0.9						
							<b>(7.6)</b>	<b>9.7</b>	<b>3.8</b>	<b>(7.6)</b>					
<b>Hedge accounting - fair value hedge</b>															
<b>Sales at a fixed price</b>															
Zinc forward	459	202	ton	P	3,253 USD/ton	63	(0.7)	0.1	(0.3)	(0.7)					
							<b>(0.7)</b>	<b>0.1</b>	<b>(0.3)</b>	<b>(0.7)</b>					
<b>Hedging instruments for mismatches of quotation quarter</b>															
Zinc forward	58,656	93,003	ton	P/S		42	2.1	(11.4)	15.8	2.1					
							<b>2.1</b>	<b>(11.4)</b>	<b>15.8</b>	<b>2.1</b>					
							<b>(140.6)</b>	<b>(144.7)</b>	<b>(47.7)</b>	<b>(100.6)</b>	<b>(40.0)</b>				
							<b>33.0</b>	<b>(191.6)</b>	<b>(65.5)</b>	<b>(91.0)</b>	<b>(70.2)</b>	<b>10.4</b>	<b>91.3</b>	<b>(15.9)</b>	<b>108.4</b>

(\*) oz - Ounces troy

At June 30, 2018, the transactions involving derivative financial instruments recognized in "Carrying value adjustments" amounted to R\$ (52). Besides this, there are hedge accounting operations, which amounted to R\$ (60), in the subsidiaries not consolidated recognized in "Carrying value adjustments".

## (b) Effect of financial derivative instruments on the financial results

The chart below shows the impact of financial derivatives on the financial result for the first semester of 2018:

Programs	Fair value	Gain (loss) realized	Total
<b>Hedging instruments for foreign exchange exposure</b>			
US Dollar forward	21.2	8.0	29.2
Turkish lira forward	(0.9)	0.1	(0.8)
	<b>20.3</b>	<b>8.1</b>	<b>28.4</b>
<b>Hedging instruments for debts</b>			
TJLP vs. CDI floating rate swaps	(0.2)	0.5	0.2
LIBOR floating rate vs. CDI floating rate swaps	114.8	33.3	148.1
US dollar fixed rate vs. CDI floating rate swaps	42.7	(49.1)	(6.4)
LIBOR floating rate vs. COP fixed rate swaps	0.8		
	<b>158.1</b>	<b>(15.3)</b>	<b>142.0</b>
<b>Effect on the finance results</b>	<b>178.4</b>	<b>(7.2)</b>	<b>170.4</b>

### 5.1.2 Hedge of net investments in foreign operations

The hedged items that the Company and its subsidiaries designated as a calculation tool refer to the investments shown in the table below, as well as a portion of its debts and those of its subsidiaries Companhia Brasileira de Alumínio ("CBA"), Nexa Mineral Resources S.A. ("Nexa BR") and VCSA, denominated in Euros and Dollars.

	6/30/2018		12/31/2017	
	Investment	Debt	Investment	Debt
Nexa Resources Cajamarquilla S.A.	4,988	5,386	2,825	2,981
Votorantim Cement North America Inc.	3,237	4,833	2,170	4,219
Votorantim Cimentos EAA Inversões, S.L.	1,691	2,568	1,722	2,264

The foreign exchange loss on the conversion of debts, net of income tax and social contribution, recognized as "Equity valuation adjustments" on June 30, 2018, was R\$ 1,052 (June 30, 2017, loss of R\$ 224) (Note 23 (c)).

The Company documents and evaluates the effectiveness of the investment hedge operations on a monthly basis, as required by IFRS 9 - "Financial Instruments: Recognition and Measurement".

### 5.1.3 Sensitivity analysis

The main risk factors affecting the pricing of cash and cash equivalents, financial investments, loans and financing and derivative financial instruments are exposure to the fluctuation of the US Dollar, Euro, Turkish Lira, New Peruvian Sun, Argentine Peso and Bolivian, LIBOR, CDI, US Dollar coupon, commodity prices and electricity purchase and sale contracts. The scenarios for these factors are prepared using market sources and specialized sources, following the Company's governance.

The scenarios as at June 30, 2018 are described below:

**Scenario I** - Considers a shock in the market curves and quotations at June 30, 2018, according to the base scenario defined by Management for September 30, 2018;

**Scenario II** - Considers a shock of + or - 25% in the market curves at June 30, 2018;

**Scenario III** - Considers a shock of + or - 50% in the market curves at June 30, 2018.

Risk factors	Cash and cash equivalents and financial investments (i)	Borrowing and related parties (i)	Derivative financial instruments/As per unit	Changes from 6/30/2018	Impacts on profit (loss)				Impacts on comprehensive income					
					Scenario I		Scenarios II & III		Scenario I		Scenarios II & III			
					Results of scenario I	-25%	-50%	+25%	+50%	Results of scenario I	-25%	-50%	+25%	+50%
<b>Foreign exchange rates</b>														
USD	4,497	16,762 (*)	673 USD million	-6.0%	(10)	(43)	(87)	43	87	738	3,080	6,161	(3,080)	(6,161)
EUR	221	3,341		-4.6%						144	780	1,560	(780)	(1,560)
PEN	88			-5.9%	(5)	(21)	(42)	21	42		(1)	(2)	1	2
BOB	37	472		-6.7%						29	109	217	(109)	(217)
TRY	24	235		-4.1%	(1)	(6)	(12)	6	12	10	59	118	(59)	(118)
ARS	16			-1.5%							(4)	(8)	4	8
<b>Interest rates</b>														
BRL - CDI	4,620	2,886	2,618 BRL million			(23)	(45)	23	47	1	8	17	(8)	(16)
USD - LIBOR		981	1,408 USD million	17 bps	5	(17)	(34)	17	34	(1)	4	7	(4)	(7)
US Dollar coupon			669 USD million	14 bps	(53)	38	80	(36)	(70)	10	(4)	(8)	4	8
<b>Price of commodities</b>														
Zinc			240,226 ton	9.9%	(16)	229	458	(229)	(458)		(4)	(7)	4	7
Aluminum			172,845 ton	-3.6%		9	18	(9)	(18)	(11)	303	606	(303)	(606)
<b>Firm commitment - electric energy</b>														
Sale and purchase agreements - fair value			26 BRL million			3	5	(3)	(6)					

(\*) Considers baskets of currencies

- (i) The balances presented do not reconcile with the cash and cash equivalents, financial investments, related parties and borrowing notes, as the analysis only covers the most significant currencies and the interest rates cover only the principal value.

## 6 Credit quality of financial assets

	6/30/2018			12/31/2017		
	Local rating	Global rating	Total	Local rating	Global rating	Total
<b>Cash and cash equivalents</b>						
AAA	3		3			
AA+	96		96	376		376
AA		385	385	70		70
AA-	1,909	392	2,301	2,452	464	2,916
A+		569	569		2,233	2,233
A		1,649	1,649		847	847
A-		111	111		393	393
BBB+		584	584		391	391
BBB		113	113		458	458
BBB-		297	297		58	58
BB		71	71		140	140
BB-		25	25			
B-		11	11		77	77
B+		47	47		21	21
Unrated (i)		791	791		980	980
	<b>2,008</b>	<b>5,045</b>	<b>7,053</b>	<b>2,898</b>	<b>6,062</b>	<b>8,960</b>
<b>Financial investments</b>						
AA+	318		318	867		867
AA	191	3	194	30		30
AA-	2,158		2,158	2,315	14	2,329
A+	4	108	112	3	168	171
A		15	15		25	25
A-	18		18	18	2	20
BBB+					21	21
B-		4	4		50	50
Unrated (ii)	9	43	52	28	46	74
	<b>2,698</b>	<b>173</b>	<b>2,871</b>	<b>3,261</b>	<b>326</b>	<b>3,587</b>
<b>Derivative financial instruments</b>						
AAA	48		48	30		30
AA+				7		7
AA-	177	44	221	69	17	86
A+		44	44		11	11
A		12	12		1	1
Unrated (i)	83		83	55		55
	<b>308</b>	<b>100</b>	<b>408</b>	<b>161</b>	<b>29</b>	<b>190</b>
	<b>5,014</b>	<b>5,318</b>	<b>10,332</b>	<b>6,320</b>	<b>6,417</b>	<b>12,737</b>

The local and global ratings were obtained from ratings agencies (Standard & Poor's, Moody's and Fitch Ratings). The Company considered the ratings of Standard & Poor's and Fitch Ratings for presentation purposes and the classification as established in the Financial Policies of the Company.

(i) Refers to values invested in offshore banks, which are not rated by any rating agency.

(ii) Refers to Grupo Votorantim's exclusive investment funds (Credit Receivables Investment Funds – "FIDCs"), which are not rated by any rating agency.

## 7 Cash and cash equivalents

Cash and cash equivalents in local currency include deposits in current bank accounts and government securities (overnight operations) or financial institutions, indexed to the interbank deposit rate. Cash equivalents in foreign currency are mainly composed of financial instruments in local currency.

	6/30/2018	12/31/2017
<b>Local currency</b>		
Cash and banks	13	14
Bank Deposit Certificates - "CDBs"	114	534
Repurchase agreements - private securities		165
Repurchase agreements - public securities	1,834	2,185
	<b>1,961</b>	<b>2,898</b>
<b>Foreign currency</b>		
Cash and banks	3,907	3,516
Bank Deposit Certificates - "CDBs"	95	1,503
Time deposits	1,090	1,043
	<b>5,092</b>	<b>6,062</b>
	<b>7,053</b>	<b>8,960</b>

## 8 Financial investments

Most financial investments have immediate liquidity however, they are classified as financial investments based on the original maturities, considering the intended allocation of funds. The investments in national currency comprise government securities or financial institutions indexed to the interbank deposit rate. Foreign currency-denominated investments consist mainly of fixed-income financial instruments in local currency (time deposits).

	6/30/2018	12/31/2017
<b>Fair value through profit or loss</b>		
Bank Deposit Certificates - "CDBs"	785	543
Financial Treasury Bills - "LFTs"	1,260	961
Repurchase agreements - public securities	150	605
Repurchase agreements - private securities	424	1,048
Investment fund quotas	7	29
Financial investments in foreign currency	173	282
	<b>2,799</b>	<b>3,468</b>
<b>Fair value through other comprehensive income</b>		
Bank Deposit Certificates - "CDBs"	68	68
	<b>68</b>	<b>68</b>
<b>Amortized cost</b>		
Financial Treasury Bills - "LFTs"	4	7
Financial investments in foreign currency		44
	<b>4</b>	<b>51</b>
	<b>2,871</b>	<b>3,587</b>
Current	2,849	3,562
Non-current	22	25
	<b>2,871</b>	<b>3,587</b>



## 9 Trade receivables

### (a) Breakdown

	Note	6/30/2018	12/31/2017
Trade receivables - Brazil		1,481	1,296
Trade receivables - foreign customers		1,840	1,231
Related parties	13	40	53
		<b>3,361</b>	<b>2,580</b>
Allowance for doubtful accounts		(173)	(159)
		<b>(173)</b>	<b>(159)</b>
		<b>3,188</b>	<b>2,421</b>

### (b) Aging of trade receivables

	6/30/2018	12/31/2017
Current	2,753	1,975
Up to three months past due	241	326
Three to six months past due	25	32
Over six months past due	342	247
	<b>3,361</b>	<b>2,580</b>

## 10 Inventory

	6/30/2018	12/31/2017
Finished products	943	749
Semi-finished products	1,581	1,482
Raw materials	674	624
Auxiliary materials and consumables	975	856
Imports in transit	228	205
Other	187	84
Provision for inventory losses	(542)	(474)
	<b>4,046</b>	<b>3,526</b>

## 11 Taxes recoverable

	6/30/2018	12/31/2017
Corporate Income Tax ("IRPJ") and Social Contribution on Net Income ("CSLL")	1,545	1,524
State Value-added Tax on Sales and Services ("ICMS")	472	465
Social Contribution on Revenue ("COFINS")	364	379
Value-added Tax ("VAT") (foreign companies)	362	265
Withholding Income Tax ("IRRF")	109	69
Social Integration Program ("PIS")	80	85
State VAT on Sales and Services on PP&E	56	66
"IRPJ/CSLL" - "Plano Verão"	30	81
Excise Tax ("IPI")	28	32
Other	95	135
	<b>3,141</b>	<b>3,101</b>
Current	1,447	1,317
Non-current	1,694	1,784
	<b>3,141</b>	<b>3,101</b>

## 12 Financial Instruments – put option

During the first quarter of 2018, VS became a subsidiary of AMB. Under the agreement between the parties, VSA holds a minority interest of 15% of AMB's combined long steel business in compliance with accounting rules, this interest was recognized as a financial instrument, in accordance with CPC 48 - "Financial instruments". The change in the fair value of this operation in the first semester of 2018 resulted in the net gain of R\$ 92, recorded under "Net financial income" (Note 28).

## 13 Related parties

Assets	Trade receivables		Dividends receivable		Non-current assets	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017	6/30/2018	12/31/2017
<b>Related companies and joint ventures</b>						
Alunorte Alumina do Norte do Brasil S.A.			1			
Cementos Avellaneda S.A.	7	12				
Cementos Granadilla S.L.	2	1			7	6
Banco Votorantim S.A.				55		
Cementos Especiales De Las Islas, S.A.				11		
Citrosuco S.A. Agroindústria (i)	4	23			172	86
Citrosuco GmbH (i)					50	43
Fibria Celulose S.A.	5	12		76	1	1
Supermix Concreto S.A.	21	5				
Ventos de São Vicente Energias Renováveis S.A. (ii)					83	
Others	1			6	6	7
	<b>40</b>	<b>53</b>	<b>1</b>	<b>148</b>	<b>319</b>	<b>143</b>
Current	40	53	1	148		
Non-current					319	143
	<b>40</b>	<b>53</b>	<b>1</b>	<b>148</b>	<b>319</b>	<b>143</b>

- (i) Refers to accounts receivable related to assets in excess of the basic net assets invested in Citrosuco's operation. The realization period is linked to the performance of each item under contractual rules laid down in the shareholder agreement and the closing memorandum signed between Fischer S.A. – Comércio, Indústria e Agricultura and Votorantim.
- (ii) Balance receivable by the subsidiary Votorantim Comercializadora de Energia Ltda. - ("Votener"), referring to capital reduction of its investee held on October 4, 2017.

Liabilities	Trade payables		Dividends payable		Non-current liabilities	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017	6/30/2018	12/31/2017
<b>Parent company</b>						
Hejoassu Administração S.A.			13	140		
<b>Related companies and joint ventures</b>						
Fibria Celulose S.A.	15	3				1
Superior Building Materials LLC	3	1				
Others	18	4			21	24
	<b>36</b>	<b>8</b>	<b>13</b>	<b>140</b>	<b>21</b>	<b>25</b>
Non-controlling interests			50	48		
Current	36	8	63	188		
Non-current					21	25
	<b>36</b>	<b>8</b>	<b>63</b>	<b>188</b>	<b>21</b>	<b>25</b>

#### Profit and loss

	Sales (purchases), net		Finance income (expenses), net	
	1/1/2018 to 6/30/2018	1/1/2017 to 6/30/2017	1/1/2018 to 6/30/2018	1/1/2017 to 6/30/2017
<b>Related companies and joint ventures</b>				
Cementos Avellaneda S.A.		33		
Cementos Especiales De Las Islas, S.A.		11	6	
Cementos Granadilla S.L.		10	7	
Citrosuco S.A. Agroindústria		17	15	4
Fibria Celulose S.A.		36	60	
Midway Group, LLC		10	7	
Supermix Concreto S.A.		96	88	
Superior Materials Holdings, LLC		26	25	
Others		15	1	(3)
		<b>254</b>	<b>209</b>	<b>(3)</b>
				<b>5</b>

## 14 Financial instruments – firm commitment

The Company, through its subsidiary Votener, operates in the Regulated Contracting Environment ("ACR") and participated in the 13th electric power purchase auction on April 30, 2014, in which, through a firm commitment, it made sales until December 2019. These transactions, on initial recognition, resulted in gains from the sale of surplus energy to the Company, which was recognized at fair value. The net difference of expenses and revenues generated by the realization of the fair value, through the physical settlement of the sale and purchase agreements, was recognized as an expense in the amount of R\$ (70) in "Other operating expenses, net" (Note 27).

In addition, the other operations carried out by the subsidiaries in the Free Contracting Environment ("ACL"), which meet the definition of a financial instrument, were likewise recognized at fair value. The realization of the fair value in the amount of R\$ (36) was recognized as an expense in "Other operating expenses, net" (Note 27).

The values quoted above have the following composition:

	ACR				ACL			1/1/2018 to 6/30/2018	1/1/2017 to 6/30/2017
	Votorantim		Votorantim		Votorantim		Total		
	CBA	Energia	Total	Cimentos	CBA	Energia	Total		
Realization	(57)	(17)	(74)	(4)	(5)	(49)	(58)	(132)	(111)
Recognition					11	11	22	22	(109)
Constitution (reversal) (i)	3	1	4					4	(94)
	<b>(54)</b>	<b>(16)</b>	<b>(70)</b>	<b>(4)</b>	<b>6</b>	<b>(38)</b>	<b>(36)</b>	<b>(106)</b>	<b>(314)</b>

The chart below presents the composition of equity balances:

	ACR			ACL			Total		
	CBA	Votorantim Energia	Total	Votorantim Cimentos	CBA	Votorantim Energia	Total	6/30/2018	12/31/2017
<b>Assets</b>									
Current	115	34	149		10		10	159	210
Non-current	56	16	72					72	154
	<b>171</b>	<b>50</b>	<b>221</b>		<b>10</b>		<b>10</b>	<b>231</b>	<b>364</b>
<b>Liabilities</b>									
Current				(5)			(5)	(5)	(1)
Non-current				(23)	(47)	(106)	(176)	(176)	(207)
				<b>(28)</b>	<b>(47)</b>	<b>(106)</b>	<b>(181)</b>	<b>(181)</b>	<b>(208)</b>

## 15 Investments

### (a) Breakdown

	Percentage of total and voting capital		Headquarters	Main activity
	6/30/2018	12/31/2017		
<b>Main non-consolidated companies</b>				
<b>Associates</b>				
Cementos Avellaneda S.A.	49.00	49.00	Argentina	Cement
Alunorte - Alumina do Norte S.A.	3.03	3.03	Brazil	Mining
Mineração Rio do Norte S.A.	10.00	10.00	Brazil	Mining
Supermix Concreto S.A.	25.00	25.00	Brazil	Cement
IMIX Empreendimentos Imobiliários Ltda.	25.00	25.00	Brazil	Mining
Cementos Especiales de las Islas S.A.	50.00	50.00	USA	Cement
<b>Joint ventures</b>				
Citrosuco GmbH	50.00	50.00	Austria	Agribusiness
Banco Votorantim S.A.	50.00	50.00	Brazil	Finance
Citrosuco S.A. Agroindústria	50.00	50.00	Brazil	Agribusiness
Fibria Celulose S.A. (i)		29.42	Brazil	Wood pulp
VTRM Energia Participações S.A. (ii)	50.00	100.00	Brazil	Energy
Hutton Transport Ltda.	25.00	25.00	Canada	Transportation
Midway Group, LLC.	50.00	50.00	USA	Cement
Superior Materials Holdings, LLC	50.00	50.00	USA	Cement
RMC Leasing, LLC.	50.00		USA	Equipment leasing
Cemento Portland S.A.	50.00	50.00	Peru	Cement

- (i) According to Note 30, Fibria has been reclassified to assets held-for-sale, however, the operation is subject to the usual pre-conditions for this type of operation, including the approval by certain competition authorities in Brazil and abroad.
- (ii) Formation of a joint venture involving subsidiary VGE and CPPIB, serving as an investment platform related to the acquisition and development of new renewable energy generation assets in Brazil, as described in Note 1.1 (c).

(b) Changes in investments

	Movement										Information about the companies investees			
	Opening balance for the semester	Equity in the results of investees	Exchange variation	Fair value of asset available for sale	Initial adoption of IFRS 9 (iv)	Cash flow hedge	Constitution of joint venture (v)	Gain by adjustment to fair value in deconsolidation (i)	Other	Reclassification on for assets classified as held for sale	Closing balance for the semester	Equity	Profit (loss) for the quarter	Total and voting capital (%)
<b>Investments accounted for based on the equity method - Associates</b>														
Cementos Avellaneda S.A.	251	64	(62)							253	517	131	49.00%	
Alunorte - Alumina do Norte S.A.	135	(13)								122	4,008	(441)	3.03%	
Mineração Rio do Norte S.A.	83	(5)							5	83	832	(53)	10.00%	
Supermix Concreto S.A.	62	(4)								58	230	(18)	25.00%	
IMIX Empreend. Imobiliários Ltda.	6	1							(4)	3	10	2	25.00%	
Cementos Especiales De Las Islas, S.A.	69	5	10							84	168	10	50.00%	
Outros	251	(1)							2	252				
	857	47	(52)						3	855				
<b>Joint ventures</b>														
Citrosuco GmbH (i)	2,120	92	339							2,551	3,334	215	50.00%	
Banco Votorantim S.A. (ii)	5,111	247		22	(374)					5,006	9,021	494	50.00%	
Citrosuco S.A. Agroindústria (i)	1,029	(69)	(27)			(60)				873	789	(102)	50.00%	
Fibria Celulose S.A. (iii)	4,116	118	5						2	(4,241)	15,077	401	29.46%	
Hutton Transport Ltda.	18	(1)	2						(2)	17	68	(3)	25.00%	
VTRM Energia Participações S.A. (i) (vi)		1					509	147		657	1,020	(26)	50.00%	
Midway Group, LLC	14		2							16	33	1	50.00%	
Superior Materials Holdings, LLC	53	6	7						(8)	58	116	12	50.00%	
RMC Leasing LLC			1						9	10	20		50.00%	
Cimento Portland S.A.	54		8							62	123	(1)	50.00%	
	12,515	394	337	22	(374)	(60)	509	147	1	(4,241)	9,250			
1/1/2018 to 6/30/2018	13,372	441	285	22	(374)	(60)	509	147	4	(4,241)	10,105			
1/1/2017 to 6/30/2017	12,949	484	49	(37)		(10)					13,435			

- (i) The following investments consider the goodwill paid on the acquisition of investments and the surplus value, which is amortized in the income statement of the parent company:

	Goodwill		Surplus value	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Citrosuco S.A. Agroindústria	194	194	285	322
Citrosuco GmbH	145	145	739	665
VTRM Energia Participações S.A.			147	

- (ii) The investment considers the adjustment of the surplus value, in the amount of R\$ 495 (June 30, 2017 - R\$ 495).
- (iii) The investment includes the addition of R\$ 6 referring to the percentage of treasury shares and eliminated unrealized profit were the result of an exchange of land with the Company, in the amount of R\$ 178 (June 30, 2017 - R\$ 178).
- (iv) Refers to the initial adoption of IFRS 9 as recognized in Banco Votorantim's shareholders' equity (Note 3.1.2).
- (v) Adjustment of investments by deconsolidation of the VTRM (Note 1.1 (c)).
- (vi) Up to May 29, 2018, VGE held a 100% interest in the VTRM investee, recognizing the equity accounting result corresponding to this holding. As of this date, it now holds a 50% interest due to deconsolidation of assets (Note 1.1 (c)).

## 16 Property, plant and equipment

### (a) Breakdown and changes

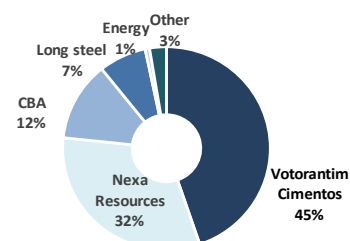
	1/1/2018 to 6/30/2018									1/1/2017 to 6/30/2017	
	Note	Land and improvements	Buildings and construction	Machinery, equipment and facilities	Vehicles	Furniture and fittings	Construction in progress	Leasehold improvements	Other	Total	Total
<b>Opening balance for the semester</b>											
Cost		1,959	10,467	34,105	1,121	191	2,793	456	524	51,616	49,528
Accumulated depreciation		(58)	(4,232)	(19,722)	(918)	(145)		(251)	(355)	(25,681)	(24,437)
<b>Net opening balance for the semester</b>		<b>1,901</b>	<b>6,235</b>	<b>14,383</b>	<b>203</b>	<b>46</b>	<b>2,793</b>	<b>205</b>	<b>169</b>	<b>25,935</b>	<b>25,091</b>
Additions		1	1	10	1	1	841		1	856	1,297
Disposals		(13)	(13)	(50)		(1)			(1)	(78)	(111)
Depreciation		(3)	(167)	(749)	(34)	(5)		(10)	(10)	(978)	(908)
Foreign exchange variation		104	232	601	16	2	197	21		1,173	210
Effect of subsidiaries excluded in consolidation	1.1 (c)		(121)	(1,064)			(1)		(26)	(1,212)	
Reversal (constitution) for impairment		(1)	167	561			(719)		1	9	5
Reclassification to assets classified as held-for-sale											(95)
Transfers (i)		36	(233)	(13)	29	4	99	8	(6)	(76)	(51)
<b>Closing balance for the semester</b>		<b>2,025</b>	<b>6,101</b>	<b>13,679</b>	<b>215</b>	<b>47</b>	<b>3,210</b>	<b>224</b>	<b>128</b>	<b>25,629</b>	<b>25,438</b>
Cost		2,087	10,707	35,491	1,221	208	3,210	514	479	53,917	50,884
Accumulated depreciation		(62)	(4,606)	(21,812)	(1,006)	(161)		(290)	(351)	(28,288)	(25,446)
<b>Net closing balance for the semester</b>		<b>2,025</b>	<b>6,101</b>	<b>13,679</b>	<b>215</b>	<b>47</b>	<b>3,210</b>	<b>224</b>	<b>128</b>	<b>25,629</b>	<b>25,438</b>
Average annual depreciation rates - %		1	3	9	17	10		9	14		

(i) The transfers related to the reclassification from “Construction in progress” within “Property, plant and equipment” to “Software” and “Rights to use natural resources”, within “Intangible assets”.

**(b) Construction in progress**

The balance is composed mainly of expansion and optimization projects related to industry.

Segment	6/30/2018	12/31/2017
Votorantim Cimentos	1,438	1,360
Nexa Resources	1,023	779
CBA	405	368
Long steel	238	195
Energy	22	20
Other	84	71
	<b>3,210</b>	<b>2,793</b>



The main projects in progress by business segment are as follows:

<b>Votorantim Cimentos</b>	6/30/2018	12/31/2017
Cement production capacity expansion - North America	607	462
Industrial modernization	77	104
New lines of co-processing	76	63
Update of the industrial park	71	122
Environment and security	53	84
Cement grinding - Pecém - Brazil	45	39
New unit in Ituaçu - Brazil	43	43
New unit in Sobral - Brazil	41	35
Geology and mining rights	23	36
Hardware and software	12	27
Burden removal	10	28
Structural recovery	6	39
Other	374	278
	<b>1,438</b>	<b>1,360</b>

<b>Nexa Resources</b>	6/30/2018	12/31/2017
Expansion	503	337
Sustaining	173	119
Security, Health and environment	151	140
Modernization	72	84
Information technology projects	57	10
Dam	17	35
Other	50	54
	<b>1,023</b>	<b>779</b>

<b>CBA</b>	6/30/2018	12/31/2017
Rondon Bauxite Project	112	111
Furnace refurbishment	95	75
Revitalization and adequacy of power plant	47	51
Automation system modernization	32	32
Alumina factory project	26	25
Plastic transformation and foundry projects	24	26
Furnace rooms project	23	18
Other	46	30
	<b>405</b>	<b>368</b>



<b>Long steel</b>	<b>6/30/2018</b>	<b>12/31/2017</b>
Revitalization and adaptation of plant - Argentina and Colombia	217	168
Security projects, health and environment - Colombia	18	8
Information technology	2	
Expansion	1	
Other		19
	<b>238</b>	<b>195</b>

<b>Energy</b>	<b>6/30/2018</b>	<b>12/31/2017</b>
Corumbá project	19	16
Change of Corporate Center		2
Other	3	2
	<b>22</b>	<b>20</b>

## 17 Intangible assets

### (a) Breakdown and changes

		1/1/2018 to 6/30/2018								1/1/2017 to 6/30/2017	
	Note	Rights over natural resources	Goodwill	ARO (i)	Use of public assets	Contracts, customer relationships and agreements	Softwares	Rights over trademarks and patents	Other	Total	Total
<b>Opening balance for the semester</b>											
Cost		8,693	4,863	1,047	540	235	593	485	782	17,238	17,509
Accumulated amortization		(2,851)		(556)	(179)	(156)	(477)	(313)	(343)	(4,875)	(4,496)
<b>Net opening balance for the semester</b>		<b>5,842</b>	<b>4,863</b>	<b>491</b>	<b>361</b>	<b>79</b>	<b>116</b>	<b>172</b>	<b>439</b>	<b>12,363</b>	<b>13,013</b>
<b>Additions</b>											
Disposals		(10)						(1)		(11)	(92)
Amortization and depletion		(201)		(23)	(10)	(7)	(18)	(2)	(4)	(265)	(280)
Foreign exchange variation		801	673	34		12	9	3	85	1,617	263
Reclassification from assets classified as held-for-sale											(16)
Effect of subsidiaries excluded from consolidation	1.1 (c)	(46)								(46)	(1)
Reversal for impairment		1								1	12
Revision of estimated cash flow				28						28	86
Changes in the interest rate											(2)
Transfers		40		(1)			37			76	51
<b>Closing balance for the semester</b>		<b>6,427</b>	<b>5,536</b>	<b>529</b>	<b>351</b>	<b>84</b>	<b>144</b>	<b>172</b>	<b>521</b>	<b>13,764</b>	<b>13,047</b>
Cost		9,833	5,536	1,125	540	274	680	532	914	19,434	17,873
Accumulated amortization		(3,406)		(596)	(189)	(190)	(536)	(360)	(393)	(5,670)	(4,826)
<b>Net closing balance for the semester</b>		<b>6,427</b>	<b>5,536</b>	<b>529</b>	<b>351</b>	<b>84</b>	<b>144</b>	<b>172</b>	<b>521</b>	<b>13,764</b>	<b>13,047</b>
<b>Average annual amortization and depletion rates - %</b>		<b>16</b>		<b>5</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>10</b>	<b>11</b>		

(i) Asset Retirement Obligation.

## 18 Borrowing

### (a) Breakdown and fair value

Type	Average annual charges (i)	Current		Non-current		Total		Fair value	
		6/30/2018	12/31/2017	6/30/2018	12/31/2017	6/30/2018	12/31/2017	6/30/2018	12/31/2017
<b>Local currency</b>									
Debentures	112.00% CDI	100	1,288	2,815	3,257	2,915	4,545	2,992	4,599
BNDES	TJLP + 2.50% / 4.66% fixed rate BRL / SELIC + 2.79%	244	486	476	1,410	720	1,896	665	1,774
Development promotion agency	8.54% fixed rate BRL / TJLP + 0.43%	44	41	197	208	241	249	227	238
FINAME	4.81% fixed rate BRL	21	23	80	91	101	114	89	102
Export credit notes			3		100		103		105
Other		15	16	10	11	25	27	29	26
		<b>424</b>	<b>1,857</b>	<b>3,578</b>	<b>5,077</b>	<b>4,002</b>	<b>6,934</b>	<b>4,002</b>	<b>6,844</b>
<b>Foreign currency</b>									
Eurobonds - USD	6.11% fixed rate USD	182	156	13,934	11,948	14,116	12,104	13,947	12,877
Loans - Resolution 4131 (ii)	LIBOR USD + 1.06% / 4.04% fixed rate USD	10	176	1,249	763	1,259	939	1,261	944
Eurobonds - EUR	3.41% fixed rate EUR	96	37	2,512	2,246	2,608	2,283	2,683	2,415
Syndicated loan/bilateral agreements	EURIBOR + 2.00% / Libor + 1.10% / 6.32% fixed rate	326	123	1,208	1,192	1,534	1,315	1,526	1,320
Export prepayments	LIBOR USD + 1.27%	2	1	757	659	759	660	813	709
BNDES	UMBNDDES + 2.46%	36	112	29	37	65	149	67	152
Export credit notes			1		104		105		107
Working capital	IBR + 3.65% / 9.25% fixed rate INR / LIBOR + 0.75%	109	96			109	96	110	98
Development promotion agency	LIBOR + 1.10%	30		209		239		251	
Other		17	14	28	31	45	45	45	43
		<b>808</b>	<b>716</b>	<b>19,926</b>	<b>16,980</b>	<b>20,734</b>	<b>17,696</b>	<b>20,703</b>	<b>18,665</b>
		<b>1,232</b>	<b>2,573</b>	<b>23,504</b>	<b>22,057</b>	<b>24,736</b>	<b>24,630</b>	<b>24,705</b>	<b>25,509</b>
Current portion of long-term borrowing		698	1,743						
Interest on borrowing		329	365						
Short-term borrowing		205	465						
		<b>1,232</b>	<b>2,573</b>						

- (i) The average annual charges are presented only for agreements that represent a large share of the total debt amount.
- (ii) Loans relating to Resolution 4131 have swaps that are indexed to both exchange rates (LIBOR and fixed rates for floating CDI rates) and currency (US Dollars for reais), and resulted in a final weighted cost of 107.74% p.a. of the CDI. Borrowing of this type relates to compound financial instruments, contracted as a single product with the financial institution (debt in US Dollars + swap to a % of CDI in reais). The terms and conditions of the loan and derivative instrument are configured as a compound operation, so that the resulting cost is a debt adjusted by the CDI in reais. The difference in measurement between the two instruments (loan at amortized cost x derivative at fair value) creates an accounting mismatch in the statement of income. To eliminate this accounting mismatch, some of the borrowing contracts made from August 2015, were designated at fair value, and the effect of this designation is the measurement of debt at fair value through profit or loss, according to Note 28.

Key:

BNDES	– National Bank for Economic and Social Development.
BRL	– Brazilian currency (Real).
CDI	– Interbank Deposit Certificate.
EUR	– European Union currency (Euro).
EURIBOR	– Euro Interbank Offered Rate.
FINAME	– Government Agency for Machinery and Equipment Financing.
IBR	– Interbank Rate (Colombia).
INR	– Indian Rupee
LIBOR	– London Interbank Offered Rate.
SELIC	– Special System for - Clearance and Custody.
TJLP	– Long-Term Interest Rate, fixed by the National Monetary Council. Until December 2017, the TJLP was the basic cost of BNDES financing. As of January 2018, the Long Term Rate (TLP) became the main financial cost of BNDES financing.
IPCA	– Extended Consumer Price Index.
UMBNDDES	– Monetary unit of the BNDES reflecting the weighted basket of currencies of foreign currency debt obligations. At June 30, 2018, 99% of the basket consisted of US Dollars.
USD	– US Dollar.

**(b) Changes**

	Note	1/1/2018 to 6/30/2018	1/1/2017 to 6/30/2017
<b>Opening balance for the semester</b>		<b>24,630</b>	<b>24,419</b>
New borrowing		2,088	3,568
Foreign exchange variation		2,810	514
Interest		704	843
Addition of borrowing fees, net of amortization		22	(12)
Fair value adjustment		(39)	38
Payments - interest		(725)	(695)
Effect of subsidiaries included in consolidation	1.1 (c)	(908)	
Payments - principal		(3,846)	(2,874)
<b>Closing balance for the semester</b>		<b>24,736</b>	<b>25,801</b>

**(c) New borrowing and amortizations**

Through funding and prepayment of certain debts, the Company seeks to extend the average term of maturities, as well as to balance the exposure to different currencies of loans and financing to its cash generation in these currencies.

The main funding and amortizations made in the first semester 2018 were as follows:

### New borrowing

Date	Company	Modality	Currency	Amount	Amount BRL	Maturity	Cost
mar-18	Votorantim Cimentos S.A.	Resolution 4131	USD	100	325	2023	112,00% CDI
may-18	Nexa Resources S.A.	Export Prepayment	USD	200	737	2023	LIBOR 6M + 1,27%
may-18	Votorantim Cimentos N/NE S.A.	Debentures	BRL	450	450	2023	110,00% CDI
jun-18	Nexa Resources S.A.	Development Agency	USD	63	240	2026	LIBOR 6M + 1,10%

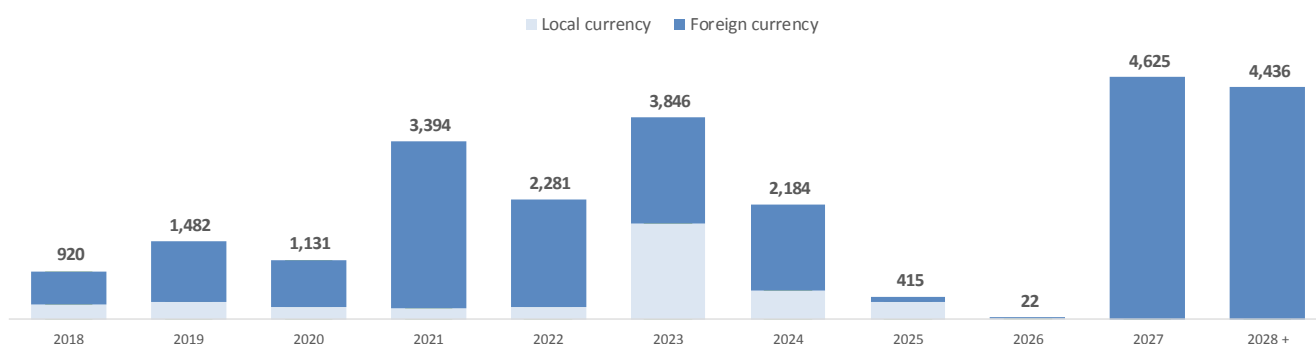
### Amortizations

Date	Company	Modality	Currency	Main	Main BRL	Maturity	Note
jan-18	Votorantim Cimentos S.A.	Debentures	BRL	(500)	(500)	2022	Prepayment
jan-18	Votorantim Cimentos S.A.	Debentures	BRL	(44)	(44)	2022	Prepayment
jan-18	Votorantim Cimentos S.A.	Debentures	BRL	(63)	(63)	2022	Prepayment
jan-18	Votorantim Cimentos S.A.	Debentures	BRL	(94)	(94)	2022	Prepayment
jan-18	Votorantim Cimentos S.A.	Resolution 4131	USD	(50)	(161)	2020	Prepayment
jan-18	Votorantim Cimentos S.A.	BNDES	BRL	(211)	(211)	2018 / 2019 / 2020	Prepayment
mar-18	Nexa Recursos Minerais S.A.	Export credit notes	BRL	(100)	(100)	2018	
mar-18	Nexa Recursos Minerais S.A.	Export credit notes	USD	(31)	(102)	2018	
apr-18	Votorantim Cimentos S.A.	Debentures	BRL	(148)	(148)	2024	Prepayment
apr-18	Votorantim Cimentos S.A.	Debentures	BRL	(200)	(200)	2023	Prepayment
may-18	Nexa Resources S.A.	Export Prepayment	USD	(100)	(366)	2018	
may-18	Nexa Resources S.A.	Export Prepayment	USD	(40)	(149)	2023	Prepayment
may-18	Nexa Resources S.A.	Export Prepayment	USD	(60)	(224)	2022	Prepayment
jun-18	Votorantim Cimentos S.A.	Debentures	BRL	(158)	(158)	2023	
jun-18	Votorantim Cimentos S.A.	Debentures	BRL	(294)	(294)	2025	Prepayment

## (d) Breakdown by currency

	Current		Non-current		Total	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017	6/30/2018	12/31/2017
US Dollar	313	366	16,180	13,509	16,493	13,875
Real	424	1,857	3,578	5,077	4,002	6,934
Euro	248	110	3,093	2,825	3,341	2,935
Boliviano	35	1	437	395	472	396
Turkish lire	45	47	190	220	235	267
Currencies basket	17	83	9	14	26	97
Other	150	109	17	17	167	126
	<b>1,232</b>	<b>2,573</b>	<b>23,504</b>	<b>22,057</b>	<b>24,736</b>	<b>24,630</b>

## (e) Maturity



## (f) Breakdown by index

	Current		Non-current		Total	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017	6/30/2018	12/31/2017
<b>Local currency</b>						
CDI	99	1,288	2,815	3,258	2,914	4,546
TJLP	208	436	372	1,239	580	1,675
Fixed rate	65	74	255	286	320	360
SELIC	52	55	136	196	188	251
Other		4		98		102
	<b>424</b>	<b>1,857</b>	<b>3,578</b>	<b>5,077</b>	<b>4,002</b>	<b>6,934</b>
<b>Foreign currency</b>						
Fixed rate	470	515	17,865	15,549	18,335	16,064
LIBOR	169	5	1,825	1,179	1,994	1,184
EURIBOR	76	39	207	215	283	254
UMBNDDES	36	112	29	37	65	149
Other	57	45			57	45
	<b>808</b>	<b>716</b>	<b>19,926</b>	<b>16,980</b>	<b>20,734</b>	<b>17,696</b>
	<b>1,232</b>	<b>2,573</b>	<b>23,504</b>	<b>22,057</b>	<b>24,736</b>	<b>24,630</b>

**(g) Collateral**

As at June 30, 2018, R\$ 9,534 (December 31, 2017 – R\$ 10,607) of the balance of the Company's borrowing was collateralized under promissory notes and sureties and R\$ 865 of the property, plant and equipment items (December 31, 2017 – R\$ 527) were collateralized by liens on the financed assets.

**(h) Covenants / Financial ratios**

Certain borrowings are subject to compliance with certain financial ratios ("covenants"). When applicable, such obligations are standardized for all borrowing.

The Company was in compliance with all of these covenants, as applicable.

**19 Confirming payables**

The Company and the subsidiaries have entered into agreements with financial institutions, aiming to anticipate receivables from suppliers in the domestic and foreign markets. In this operation, suppliers transfer the right to receive their accounts receivable related to sales of goods to financial institutions.

<b>Operations - Confirming payables</b>	<b>6/30/2018</b>	<b>12/31/2017</b>
Domestic market	185	148
Foreign market	805	761
	<b>990</b>	<b>909</b>

**20 Current and deferred income tax and social contribution****(a) Reconciliation of income tax and social contribution expenses**

The current amounts are calculated based on the current rates levied on taxable income, adjusted upwards or downwards by the respective additions and exclusions.

The income tax and social contribution amounts presented in the statements of income for the semester ended June 30 are reconciled to their Brazilian standard rates as follows:

	<b>1/1/2018 to 6/30/2018</b>	<b>1/1/2017 to 6/30/2017</b>
<b>Profit before income tax and social contribution</b>	<b>739</b>	<b>546</b>
<b>Standard rates</b>	<b>34%</b>	<b>34%</b>
<b>Income tax and social contribution at standard rates</b>	<b>(251)</b>	<b>(186)</b>
<b>Adjustments for the calculation of income tax and social contribution at effective rates</b>		
Equity	150	165
Differential rate of foreign companies	98	12
Tax on mining operations	(36)	(27)
Reprocessing of previous calculations	(51)	10
Tax loss carryforward and non-deferred tax base	(273)	(214)
Deferred exchange gains - effect on the income statement		(31)
Other exclusions, net	18	19
<b>Income tax and social contribution calculated</b>	<b>(345)</b>	<b>(252)</b>
Current	(289)	(204)
Deferred	(56)	(48)
<b>Income tax and social contribution expenses</b>	<b>(345)</b>	<b>(252)</b>
<b>Effective rate - %</b>	<b>47%</b>	<b>46%</b>

(b) Breakdown of deferred tax balances

	6/30/2018	12/31/2017
<b>Tax credits on tax losses</b>	<b>1,985</b>	<b>1,884</b>
<b>Tax credits on temporary differences</b>		
Foreign exchange gains	1,746	1,300
Estimation for losses on investments, fixed and intangible assets	873	1,181
Tax benefit on goodwill	503	465
Tax, civil and labor provision	490	506
Asset retirement obligation	187	166
Use of public assets	170	172
Fair value adjustments	131	(143)
Environmental liabilities	117	116
Estimation for inventory losses	78	66
Provision for social security obligations	63	34
Provision for loan	62	56
PPR - Provision for profit sharing	61	124
Provision for energy charges	48	46
Estimated asset disposals	27	20
Deferred of losses on derivative instruments	11	63
Other tax credits	83	18
<b>Tax debits on temporary differences</b>		
Borrowing costs	(3)	(3)
Asset retirement obligation	(26)	(6)
Financial instruments - firm commitment	(26)	(61)
Adjustment to present value	(36)	(55)
Pension funds	(45)	(18)
Capitalized interest	(137)	(140)
Market value Citrosuco	(171)	(154)
Goodwill amortization	(390)	(367)
Adjustment of useful lives of PP&E (depreciation)	(1,558)	(1,479)
Market value assets	(1,792)	(1,581)
Other tax debits	(20)	(96)
<b>Net</b>	<b>2,431</b>	<b>2,114</b>
<b>Net deferred tax assets related to the same legal entity</b>	<b>4,614</b>	<b>4,079</b>
<b>Net deferred tax liabilities related to the same legal entity</b>	<b>(2,183)</b>	<b>(1,965)</b>

(c) Effects of deferred income tax and social contribution on the profit for the period and comprehensive income

	1/1/2018 to 6/30/2018	1/1/2017 to 6/30/2017
<b>Opening balance for the semester</b>	<b>2,114</b>	<b>2,072</b>
Effect of subsidiaries included in the consolidation	21	(11)
Deferred income tax and social contribution on hedge accounting	541	136
Effects on the results for the semester - continuing operations	(56)	(48)
Effects of foreign exchange variations in other comprehensive income	(186)	(27)
Effects on the results of the semester - discontinued operations	(3)	
<b>Closing balance for the semester</b>	<b>2,431</b>	<b>2,122</b>



## 21 Deferred revenue - obligation for performance

In December 2014, the subsidiary Votener ceded to a financial institution receivables due until December 2019 as a result of certain contracts for the Sale of Electric Energy in the Regulated Environment ("CCEAR"), which are being carried out with the physical delivery of energy. This transaction corresponded to R\$ 1,253, and has no right of return and/or type of co-obligation of the Company on the receivables. Due to the assignment of receivables, Votener received R\$ 905, and the interest to be appropriated from the transaction will be recognized pro rata to the result during the term of the agreement.

In May 2015, Votener carried out a second credit assignment, without any right of return and/or co-obligation of the subsidiary, totalling of R\$ 368. By assigning the receivables, Votener received R\$ 251, and the interest to be appropriated from the operation will be recognized pro rata to the results during the term of the agreement.

The updated value of these operations as at June 30, 2018 was R\$ 395 (December 31, 2017, R\$ 516).

## 22 Provision

### (a) Breakdown and changes

	1/1/2018 to 6/30/2018					1/1/2017 to 6/30/2017	
	ARO (i)	Tax	Labor	Civil	Other	Total	Total
<b>Opening balance for the semester</b>	<b>1,275</b>	<b>849</b>	<b>99</b>	<b>317</b>	<b>47</b>	<b>2,587</b>	<b>2,346</b>
Present value adjustment	30					30	25
Additions	1	31	61	25	6	124	212
Reversals (ii)	(47)	(63)	(52)	(115)	(3)	(280)	(594)
Judicial deposits, net of write-offs (ii)		3	(7)	100		96	301
Settlement in cash	(16)	(7)	(17)	(76)	(1)	(117)	(68)
Settlements with escrow deposits			(4)			(4)	
Reclassification of liabilities related to assets held for sale							(18)
Effect of subsidiaries excluded from consolidation	(20)					(20)	(9)
Monetary restatement		19	21	11	3	54	75
Foreign exchange variation	86	7	5	8		106	20
Revision of estimated cash flow	25					25	69
<b>Closing balance for the semester</b>	<b>1,334</b>	<b>839</b>	<b>106</b>	<b>270</b>	<b>52</b>	<b>2,601</b>	<b>2,359</b>

(i) Asset Retirement Obligation

(ii) The loss classification's claim was changed from "Probable" to "Remote", resulting from a civil judicial provision's reversal in CBA of R\$ 104, of which R\$ 66 refers to the claim's principal amount and R\$ 38 refers to its monetary restatement. The claim is in progress, and by June 30, 2018, CBA has an amount of R\$ 105 on deposit in the court's account.

**(b) Provision for tax, civil, labor, other contingencies and outstanding judicial deposits**

	6/30/2018				12/31/2017			
	Judicial deposits	Provision	Net amount	Outstanding judicial deposits (i)	Judicial deposits	Provision	Net amount	Outstanding judicial deposits (i)
Tax	(121)	960	839	653	(124)	973	849	679
Civil	(20)	290	270	115	(120)	437	317	10
Labor	(212)	318	106	79	(205)	304	99	71
Other		52	52	6		47	47	5
	<b>(353)</b>	<b>1,620</b>	<b>1,267</b>	<b>853</b>	<b>(449)</b>	<b>1,761</b>	<b>1,312</b>	<b>765</b>

- (i) The Company has balances deposited in relation to lawsuits classified by management, following the directions of the Company's legal counsel as representing remote or possible losses and, therefore, they are made without respective provision.

**(c) Litigation with likelihood of loss considered possible**

The Company is party to litigations representing a risk of possible loss, for which no constituted provision has been made.

	6/30/2018	12/31/2017
Tax	10,174	10,035
Civil	7,512	7,215
Environmental	504	496
Labor and social security	454	441
	<b>18,644</b>	<b>18,187</b>

**(c.1) Comments on contingent tax and public rights liabilities with likelihood of loss considered possible**

The contingent liabilities relating to tax lawsuits in progress with a likelihood of loss considered possible, for which no provision has been recorded, are commented on below. In the table below we present the materiality of these lawsuits:

Nature	6/30/2018	12/31/2017
Tax assessment notice - "IRPJ/CSLL"	1,822	1,794
"ICMS" - Credit	936	923
"IRPJ/CSLL" – Profits abroad (i)	745	765
Compensation for exploration for mineral resources ("CFEM")	572	571
Disallowances of "PIS/COFINS" credits	556	582
Disallowance of "IRPJ/CSLL" negative balance	379	362
Tax assessment notice – "ICMS"	277	272
Offset of tax loss – 30% limit (merger)	275	276
"ICMS" – transfer costs	266	242
"IRPJ/CSLL" – Transfer costs	195	192
Error in fiscal classification - Importation	163	163
"ICMS" requirements on TUSD	134	134
Other lawsuits	3,854	3,759
	<b>10,174</b>	<b>10,035</b>

**(i) Profits abroad – "IRPJ/CSLL"**

The Company and its subsidiaries have tax assessments drawn up by the Federal Revenue Service (RFB), for alleged nonpayment of IRPJ and CSLL, on profits earned abroad by the Company's subsidiaries or affiliates, in the 2007, 2008, 2010 and 2012 periods.

Balance substantially composed by the Company, in the amount of R\$ 585 as of June 30, 2018 (R\$ 607 as of December 31, 2017). All cases are awaiting judgment at the administrative level. At the end of 2017, there was a favorable closure of one of the cases, in the amount of R\$ 34.

There were no material changes in relation to those detailed in Note 23 (c.1) to the last annual financial statements.

**(c.2) Comments on contingent civil liabilities with likelihood of loss considered possible**

<b>Nature</b>	<b>6/30/2018</b>	<b>12/31/2017</b>
Public civil suit – Violation of the economic order	3,948	3,872
Administrative investigations carried out by the Secretariat of Economic Law (i)	2,023	1,994
Litigation with a São Paulo transportation company	189	187
Other lawsuits	1,352	1,162
	<b>7,512</b>	<b>7,215</b>

**(i) Administrative Proceedings by SDE, currently CADE (Brazilian antitrust agency)**

In 2006 the SDE initiated administrative proceedings against the largest Brazilian cement companies, including VCSA, alleging that these companies had breached Brazilian antitrust laws, including laws against price fixing and the formation of a cartel. After the finding of facts, the CADE court judged the lawsuit, issuing the final terms of the judgment on July 29, 2015 and, applying several penalties to the companies.

The penalties imposed on VCSA included the payment of a fine of approximately R\$ 1,566 and the obligation of VCSA to sell: (1) all its interests in other cement and concrete companies in Brazil, (2) 20% of its installed capacity of concrete services in Brazil, in relevant markets in which VCSA has more than one concrete plant (3) and a specific cement asset that, in CADE's opinion, was directly related to the alleged illegal act of which VCSA was accused. Other non-monetary penalties were also imposed on VCSA, including: (1) the obligation to publish CADE's decision in one of the five biggest Brazilian newspapers; (2) a prohibition from contracting with official financial institutions to provide credit lines with financing conditions subsidized by public programs or resources provided by these institutions; and (3) the recommendation to the Federal Revenue that they restrict or limit some other benefits and tax incentives. As at June 30, 2018, the updated contingency amount was R\$ 2,023.

In November 2015, VCSA filed an annulment action to cancel the decision issued at the administrative level or, at least, to reduce the applied penalties. An injunction was granted on November 24, 2015, suspending the effects of the decision issued by CADE at the administrative level, preventing CADE from demanding the fulfillment of the obligations and/or executing the penalties until judgment of the merit. CADE was summoned and filed its defense, while VCSA presented its reply in November 2016. At present, the settlement of the lawsuit is awaited. The Company classified the likelihood of loss on this lawsuit as possible.

During 2017, some construction companies and concrete producers filed lawsuits for indemnity claims against Votorantim Cimentos and other companies which were convicted by CADE, due to the alleged cartel in the cement and concrete markets, in summary claiming that the cartel caused economic and non-economic losses. In January 2018, the first sentence dismissing the merit of the indemnity claims was issued. In June 2018, there were already 19 decisions dismissing the merit in the lower court. Moreover, 8 of these lawsuits already recognized that eventual damages arising from the facts identified in the administrative proceeding of CADE had already expired, of which 5 of these in final decisions. In June 2018, this position was confirmed for the first time by the higher court, through a court decision that prevented the charge of amounts from prior to three years of the filing of the lawsuit.

In the other lawsuits there were no material changes in relation to those detailed in Note 23 (c.2) to the latest annual financial statements.

## 23 Equity

### (a) Share capital

On June 30, 2018 and December 31, 2017, the fully subscribed and paid-up capital of the Company was R\$ 28,656, consisting of 18,278,789 thousand common shares.

### (b) Dividends

During the first semester of 2018, the Company decided on a dividend to its controlling company Hejoassu Administração S.A, in the amount of R\$ 528, corresponding to dividends related to a portion of the revenue reserves account, which had accumulated up to December 31, 2017.

During the second quarter of 2018, the ordinary and extraordinary general shareholders' meeting decided the cancellation of the mandatory minimum dividends of 2017 in the amount of R\$ 140.

(c) Carrying value adjustments

	Note	Currency translation of investees located abroad	Hedge accounting for net investments abroad, net of taxes	Hedge accounting for the operations of subsidiaries	Remeasurement of retirement benefits	Fair value of available-for-sale assets	Other comprehensive income	Total
<b>At January 1, 2017</b>		<b>6,204</b>	<b>(4,565)</b>	<b>(30)</b>	<b>(35)</b>	<b>39</b>	<b>(358)</b>	<b>1,255</b>
<b>Other comprehensive income</b>								
Currency translation of investees located abroad		539						539
Hedge accounting for net investments abroad, net of taxes			(224)					(224)
Hedge accounting for the operations of subsidiaries				(52)				(52)
Remeasurement of retirement benefits					(3)			(3)
Realization of other comprehensive income on disposal of investments		(85)						(85)
Participation in other comprehensive income of investees							19	19
Fair value of available-for-sale financial assets of non-consolidated investments						(37)		(37)
<b>At June 30, 2017</b>		<b>6,658</b>	<b>(4,789)</b>	<b>(82)</b>	<b>(38)</b>	<b>2</b>	<b>(339)</b>	<b>1,412</b>
<b>At January 1, 2018</b>		<b>4,990</b>	<b>(4,175)</b>	<b>(118)</b>	<b>(82)</b>	<b>266</b>	<b>(148)</b>	<b>733</b>
<b>Other comprehensive income</b>								
Currency translation of investees located abroad		1,987						1,987
Hedge accounting for net investments abroad, net of taxes			(1,052)					(1,052)
Hedge accounting for the operations of subsidiaries				(112)				(112)
Remeasurement of retirement benefits					(9)			(9)
Fair value of available-for-sale financial assets of non-consolidated investments						69		69
<b>Transactions with shareholders</b>								
Goodwill on the issuance of shares of VTRM Energia Participações S.A.	1.1. (c)						155	155
<b>At June 30, 2018</b>		<b>6,977</b>	<b>(5,227)</b>	<b>(230)</b>	<b>(91)</b>	<b>335</b>	<b>7</b>	<b>1,771</b>

## 24 Net revenue

	1/1/2018 to 6/30/2018	1/1/2017 to 6/30/2017
<b>Gross revenue</b>		
Sales of products - domestic market	7,548	6,570
Sales of products - foreign market	7,912	6,241
Supply of electrical energy	1,535	1,482
Services provided	248	225
	17,243	14,518
Taxes on sales, services and other deductions	(2,257)	(2,161)
<b>Net revenue</b>	<b>14,986</b>	<b>12,357</b>

## 25 Expenses by nature

				1/1/2018 to 6/30/2018	1/1/2017 to 6/30/2017
	Cost of products sold and services rendered	Selling	General and administrative	Total	Total
Raw materials, inputs and consumables	7,912	9	5	7,926	5,988
Employee benefit expenses	1,329	191	510	2,030	2,005
Depreciation, amortization and depletion	1,192	7	47	1,246	1,171
Transportation expenses	773	18	7	798	864
Outsourced services	538	24	226	788	718
Other expenses	399	139	188	726	636
	12,143	388	983	13,514	11,382

## 26 Employee benefit expenses

	1/1/2018 to 6/30/2018	1/1/2017 to 6/30/2017
Salaries and bonuses	1,225	1,224
Payroll charges	479	487
Benefits	326	294
	2,030	2,005

## 27 Other operating expenses, net

	Note	1/1/2018 to 6/30/2018	1/1/2017 to 6/30/2017
Gain of fair value in deconsolidation of VTRM	1.1 (c)	147	
Provision		81	382
Reversal (provision) of environmental obligations		47	(41)
Tax benefits		32	42
Gain (loss) on hedge		31	(19)
Income from rentals and leasing		26	36
Reversal for impairment of investments, fixed and intangible assets		11	37
Gain on sale of investments		8	16
Gain (loss) on sale of fixed and intangible assets, net		7	(14)
Fair value of biological assets		(6)	(13)
Financial instrument - firm commitment (i)		(106)	(314)
Spending on not activatable projects		(210)	(91)
Other income (expenses), net		51	(261)
		119	(240)

- (i) Relates to the result of the sale of surplus energy, recognized by the fair value of the contracts and carried out in accordance with the physical energy delivery, as described in Note 14.

## 28 Finance results, net

	Note	1/1/2018 to 6/30/2018	1/1/2017 to 6/30/2017
<b>Finance income</b>			
Income from financial investments		205	318
Gain on put option operations	12	101	
Reversal of monetary restatement of provision		69	190
Fair value of borrowing		46	21
Interest on financial assets		41	76
Monetary updating of assets		37	93
Interest and monetary restatement - use of public assets (i)			26
Discounts obtained		12	23
Interest on related-party transactions	13		5
Other finance income		26	18
		<b>537</b>	<b>770</b>
<b>Finance costs</b>			
Interest on borrowing		(702)	(854)
Capitalization of borrowing costs		28	30
Monetary restatement of provision		(129)	(95)
Interest and monetary restatement - use of public assets		(75)	(2)
Borrowing fees		(53)	(21)
Adjustment to present value CPC 12		(51)	(47)
Interest on anticipation of receivables		(50)	(50)
Fair value of borrowing and financing		(47)	(66)
Income tax on remittances of interest abroad		(42)	(45)
Interest on silver streaming		(14)	
"PIS/COFINS" on financial results		(14)	(22)
Loss on put option operations	12	(9)	
Interest on related-party transactions	13	(3)	
Discounts granted		(2)	(7)
Other finance costs		(120)	(83)
		<b>(1,283)</b>	<b>(1,262)</b>
<b>Results of derivative financial instruments</b>			
	5.1.1 (b)		
Revenue		205	
Expenses		(35)	(87)
		<b>170</b>	<b>(87)</b>
Foreign exchange variation, net		(717)	(97)
<b>Finance results, net</b>		<b>(1,293)</b>	<b>(676)</b>

- (i) In 2017, the Company recognized revenue from monetary restatement on UBP - Use of Public Property, as a result of the index used for updating (IGP-M "General Market Price Index") to be negative.

## 29 Insurance

The Company and its subsidiaries have civil liability insurance for their operations and officers, with property risk insurance coverage amounting to R\$ 61,966 and for loss of income amounting to R\$ 12,199 on June 30, 2018. The Company's management considers these amounts sufficient to cover eventual property risks and loss of profits.

In addition to the previous hedges, the Company and its subsidiaries maintain the policies of civil liability of executives and directors in amounts considered adequate by Management.

### 30 Assets and liabilities classified as held-for-sale

	Assets	Liabilities	Net investment
Cellulose Segment - Fibria Celulose S.A. (a)	4,241		4,241
Cement Segment - China's operation (b)	4	4	
	4,245	4	4,241

#### (a) Wood pulp segment

On March 15, 2018, the Company collectively with BNDES Participações S.A. – BNDESPAR (jointly, the "Fibria Controlling Shareholders"), Suzano Holding S.A. and the other controlling shareholders of Suzano Papel e Celulose S.A. (jointly, the "Suzano Controlling Shareholders"), and acting as intervening party Suzano Papel e Celulose S.A. ("Suzano"), have entered into the Voting Agreement and other Obligations (the "Commitment"), pursuant to which Suzano Controlling Shareholders and Fibria Controlling Shareholders agreed to exercise their voting rights in order to combine the operations and shareholding basis of Suzano and Fibria Celulose S.A. ("Fibria"), through a corporate reorganization (the "Transaction").

In compliance with the accounting rule for assets classified as held-for-sale, the Company reclassified the investment to book value. The fair value of the Transaction exceeds the carrying amount.

The terms and conditions of the Transaction, briefly described below, will be included in the Protocol and Justification of a Merger of Shares and of Company, which is to be submitted together with the appraisal reports and other applicable documents to the approval of the Boards of Directors of Fibria and Suzano, as well as, of the extraordinary general shareholders' meetings of Fibria and Suzano.

#### (i) Financial bases of the Transaction

Pursuant to the Commitment, a corporate reorganization shall be submitted to the shareholders of Fibria and Suzano, which will result in: (a) the ownership by Suzano of all the shares issued by Fibria; and (b) the receipt by Fibria's shareholders, for each common share issued by Fibria, of (i) fifty-two reais and fifty cents (R\$ 52.50), adjusted by the CDI variation from March 16, 2018 until the date of its effective payment, to be made in a single installment on the date of closing of the Transaction ("Cash Installment") and (ii) 0.4611 common shares of Suzano, adjusted pursuant to the exchange ratio referred to below (the "Exchange Ratio"). Such shares of Suzano shall also be delivered to the shareholders of Fibria on the date of closing of the Transaction.

In addition to the CDI adjustment, as indicated above, the cash installment will be adjusted by any dividends, interest on net equity and other proceeds declared by Fibria and Suzano as at March 15, 2018, except for the minimum mandatory dividends of Suzano and Fibria that have already been disclosed to the market. The exchange ratio will be proportionally adjusted by any stock splits, reverse stock splits and bonus stocks of Suzano and Fibria.

#### (ii) Conditions precedent for the Transaction

The closing of the Transaction is subject to the fulfillment of conditions precedent usual for these type of transactions, including the approval by certain antitrust authorities in Brazil and abroad.

#### (iii) Other relevant information

Until the date of closing of the Transaction, Fibria and Suzano will carry out their activities in the ordinary course of businesses and will continue to operate independently.

Upon closing of the Transaction as described above, the Company will make the appropriate accounting registrations relating to the probable gain resulting from the Transaction, in addition to the accounting registration at Fair Value of the 5.6% capital shareholding in Suzano.



For further information regarding the Transaction, please refer to the Material Fact and the Transaction documents available on Fibria Investor Relations website ([www.fibria.com.br/ri](http://www.fibria.com.br/ri)).

**(b) Cement segment**

The segment cements had assets or liabilities classified as held for sale, related to the remaining China operations.

**31 Supplemental information – Business segments**

In order to provide more detailed information, the Company has elected to disclose financial information by business segment. The following information refers to the division of VSA by business segment and considers the elimination of balances and transactions between companies before: (i) eliminations between business segments; (ii) eliminations of investments held by the holding companies.

Additionally, the eliminations and reclassifications among the companies are presented so that the net results reconcile with the consolidated financial information of VSA according to the supplementary information. This supplementary information is not intended to be in accordance with, and is not required by, the accounting practices adopted in Brazil, or by IFRS.

**(a) Capital management**

The financial leverage ratios are calculated according to the information of the industrial segments, considering the accumulated result of 12 months, as loan covenants, and are summarized as follows:

	Note	Industrial segments	
		7/1/2017 to 6/30/2018	1/1/2017 to 12/31/2017
<b>Adjusted EBITDA</b>			
<b>Net income for the period</b>		<b>1,035</b>	<b>810</b>
<b>Plus (less):</b>			
<b>Continuing operations</b>			
Equity in the results of investees		(1,149)	(1,197)
Net financial results		3,118	2,506
Income and social contribution taxes		227	133
Depreciation, amortization and depletion		2,435	2,360
<b>Discontinued operations</b>			
Equity in the results of investees		(141)	(151)
Net financial results		45	96
Income and social contribution taxes		141	126
Depreciation, amortization and depletion		23	35
<b>EBITDA before other additions and exceptional items</b>		<b>5,734</b>	<b>4,718</b>
<b>Plus :</b>			
Dividends received		403	489
<b>Extraordinary items</b>			
EBITDA - discontinued operations		8	306
Non-recurring items - discontinued operations		(56)	(267)
Gain on sale of investments, net		(617)	(625)
Constitution (reversal) for impairment of property, plant, equipment and intangible assets		16	(10)
Reversal for impairment of investments		(71)	(71)
Fair value of biological assets		1	8
PERT payment with deferred tax credit		99	99
Gain by adjustment to fair value in deconsolidation of VTRM	1.1(c)	(147)	
Other		143	113
<b>Adjusted annualized EBITDA (A)</b>		<b>5,513</b>	<b>4,760</b>
<b>Net debt</b>			
Borrowing	18	24,736	24,630
Cash and cash equivalents, financial investments and derivative financial instruments		(9,881)	(12,274)
<b>Net debt (B)</b>		<b>14,855</b>	<b>12,356</b>
<b>Gearing ratio (B/A)</b>		<b>2.69</b>	<b>2.60</b>

(b) Balance sheet - business segments

											6/30/2018
	Votorantim Cimentos	Nexa Resources	CBA	Long steels (* )	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
<b>Assets</b>											
Current											
Cash and cash equivalents, financial investments and derivative financial instruments	2,787	4,511	851	53	176	1,554		9,932	76		10,008
Trade receivables	1,170	811	452	248	410	367	(270)	3,188			3,188
Inventory	1,539	1,226	768	403		110		4,046			4,046
Taxes recoverable	246	359	398	50	15	297		1,365	82		1,447
Dividends receivable						1		1			1
Financial instruments - firm commitment			125		34			159			159
Other assets	274	115	62	57	1	25		534			534
	6,016	7,022	2,656	811	636	2,354	(270)	19,225	158		19,383
Assets classified as held-for-sale	4					4,241		4,245			4,245
	6,020	7,022	2,656	811	636	6,595	(270)	23,470	158		23,628
Non-current assets											
Long-term receivables											
Financial investments and derivative financial instruments	130	1	6			187		324			324
Financial instruments - put option						764		764			764
Taxes recoverable	694	114	537	17		332		1,694			1,694
Related parties	67	2	1	17	431	2,394	(2,593)	319			319
Deferred income tax and social contribution	1,092	886	830	97	24	1,159	503	4,591	23		4,614
Judicial deposits	661	36	120	3		33		853			853
Financial instruments - firm commitment			56		16			72			72
Other assets	570	51	28			97		746			746
	3,214	1,090	1,578	134	471	4,966	(2,090)	9,363	23		9,386
Investments	729	1	205		909	28,615	(20,342)	10,117	5,007	(5,019)	10,105
Property, plant and equipment	12,852	6,251	4,757	1,047	33	689		25,629			25,629
Intangible assets	5,974	7,925	533	69	548	18	(1,303)	13,764			13,764
Biological assets			4	7		55		66			66
	22,769	15,267	7,077	1,257	1,961	34,343	(23,735)	58,939	5,030	(5,019)	58,950
<b>Total assets</b>	<b>28,789</b>	<b>22,289</b>	<b>9,733</b>	<b>2,068</b>	<b>2,597</b>	<b>40,938</b>	<b>(24,005)</b>	<b>82,409</b>	<b>5,188</b>	<b>(5,019)</b>	<b>82,578</b>

(\*) Relates to long steel operations abroad (Argentina and Colombia).

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at June 30, 2018

All amounts in millions of reais unless otherwise stated

VOTORANTIM

	6/30/2018										
	Votorantim Cimentos	Nexa Resources	CBA	Long steels (* )	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
<b>Liabilities and equity</b>											
<b>Current liabilities</b>											
Borrowing	707	181	193	96		55		1,232			1,232
Derivative financial instruments	12	40	181			19		252			252
Confirming payable	544	446						990			990
Trade payables	1,356	1,263	592	375	398	175	(196)	3,963			3,963
Salaries and payroll charges	336	213	100	30	11	52		742			742
Taxes payable	247	72	45	89	7	5		465			465
Advances from customers	32	6	50	142	1	5		236			236
Dividends payable	2	26				52	239	319		(256)	63
Use of public assets	32	6	39					77			77
Related parties			249				(249)				
Financial instruments - firm commitment	5							5			5
Deferred revenue - performance obligation	4		(2)		243			245			245
Deferred revenue - silver streaming		116						116			116
Other	389	134	44	38		75		680	1		681
	3,666	2,503	1,491	770	660	438	(206)	9,322	1	(256)	9,067
Liabilities related to assets held-for-sale	3							3			3
	3,669	2,503	1,491	770	660	438	(206)	9,325	1	(256)	9,070
<b>Non-current liabilities</b>											
Borrowing	13,092	5,296	1,970			3,146		23,504			23,504
Derivative financial instruments	61		2			60		123			123
Deferred income tax and social contribution	570	1,202			47	196		2,015	168		2,183
Related parties	181	6	127	680	912	202	(2,087)	21			21
Provision	1,098	842	478	95	2	86		2,601			2,601
Use of public assets	466	78	559					1,103			1,103
Pension plan	207			166				373			373
Financial instruments - firm commitment	22		48		106			176			176
Deferred revenue - performance obligation					151			151			151
Deferred revenue - silver streaming		696						696			696
Other	203	246	64	97	3	34		647			647
	15,900	8,366	3,248	1,038	1,221	3,724	(2,087)	31,410	168		31,578
Total liabilities	19,569	10,869	4,739	1,808	1,881	4,162	(2,293)	40,735	169	(256)	40,648
<b>Equity</b>											
Total equity attributable to owners of the Company	8,453	9,396	4,817	169	716	36,776	(24,203)	36,124	5,019	(4,763)	36,380
Non-controlling interests	767	2,024	177	91			2,491	5,550			5,550
Total equity	9,220	11,420	4,994	260	716	36,776	(21,712)	41,674	5,019	(4,763)	41,930
Total liabilities and equity	28,789	22,289	9,733	2,068	2,597	40,938	(24,005)	82,409	5,188	(5,019)	82,578

(\* ) Relates to long steel operations abroad (Argentina and Colombia).

(c) Statement of income - business segments

	1/1/2018 to 6/30/2018										
	Votorantim Cimentos	Nexa Resources	CBA	Long steels (**)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
<b>Continuing operations</b>											
Net revenue from products sold and services rendered	5,738	4,553	2,558	912	1,956	588	(1,319) (*)	14,986			14,986
Cost of products sold and services rendered	(4,844)	(3,347)	(2,073)	(810)	(1,862)	(526)	1,319 (*)	(12,143)			(12,143)
<b>Gross profit</b>	<b>894</b>	<b>1,206</b>	<b>485</b>	<b>102</b>	<b>94</b>	<b>62</b>		<b>2,843</b>			<b>2,843</b>
<b>Operating income (expenses)</b>											
Selling	(318)	(31)	(17)	(10)		(12)		(388)			(388)
General and administrative	(377)	(268)	(87)	(52)	(42)	(150)		(976)	(7)		(983)
Other operating income (expenses), net	140	(172)	81	28	92	61	(111)	119			119
	(555)	(471)	(23)	(34)	50	(101)	(111)	(1,245)	(7)		(1,252)
<b>Operating profit (loss) before equity results and finance results</b>	<b>339</b>	<b>735</b>	<b>462</b>	<b>68</b>	<b>144</b>	<b>(39)</b>	<b>(111)</b>	<b>1,598</b>	<b>(7)</b>		<b>1,591</b>
<b>Result from equity investments</b>											
Equity in the results of investees	71		(19)		6	90	291	439	247	(245)	441
Realization of other comprehensive income on disposal of investments	71		(19)		6	90	291	439	247	(245)	441
<b>Finance results, net</b>											
Finance income	173	67	81	5	56	217	(66)	533	4		537
Finance costs	(633)	(207)	(218)	(62)	(95)	(134)	66	(1,283)			(1,283)
Results of derivative financial instruments	58	(3)				115		170			170
Foreign exchange gains (losses), net	(252)	(500)	(249)	1		(66)	349	(717)			(717)
	(654)	(643)	(386)	(56)	(39)	132	349	(1,297)	4		(1,293)
<b>Profit (loss) before income tax and social contribution</b>	<b>(244)</b>	<b>92</b>	<b>57</b>	<b>12</b>	<b>111</b>	<b>183</b>	<b>529</b>	<b>740</b>	<b>244</b>	<b>(245)</b>	<b>739</b>
<b>Income tax and social contribution</b>											
Current	(86)	(175)	(20)	(28)	(13)	34	(1)	(289)			(289)
Deferred	40	160	(84)	19	(32)	(79)	(81)	(57)	1		(56)
<b>Profit (loss) from continuing operations</b>	<b>(290)</b>	<b>77</b>	<b>(47)</b>	<b>3</b>	<b>66</b>	<b>138</b>	<b>447</b>	<b>394</b>	<b>245</b>	<b>(245)</b>	<b>394</b>
<b>Discontinued operations</b>											
Loss from discontinued operations	(1)					(160)		(161)			(161)
<b>Profit (loss) for the semester</b>	<b>(291)</b>	<b>77</b>	<b>(47)</b>	<b>3</b>	<b>66</b>	<b>(22)</b>	<b>447</b>	<b>233</b>	<b>245</b>	<b>(245)</b>	<b>233</b>
Profit (loss) attributable to the owners of the Company	(330)	54	(49)	(10)	66	(22)	437	146	245	(245)	146
Profit attributable to non-controlling interests	39	23	3	13			9	87			87
<b>Profit (loss) for the semester</b>	<b>(291)</b>	<b>77</b>	<b>(46)</b>	<b>3</b>	<b>66</b>	<b>(22)</b>	<b>446</b>	<b>233</b>	<b>245</b>	<b>(245)</b>	<b>233</b>

(\*) Relates to the net revenue from electric energy operations to CBA and VCSA.

(\*\*) Relates to long steel operations abroad (Argentina and Colombia).

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VOTORANTIM

1/1/2017 to 6/30/2017

	Votorantim Cimentos	Nexa Resources	CBA	Long steels (**)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
<b>Continuing operations</b>											
Net revenue from products sold and services rendered	4,992	3,391	2,350	759	1,877	423	(1,435) (*)	12,357			12,357
Cost of products sold and services rendered	(4,220)	(2,531)	(1,989)	(668)	(1,758)	(387)	1,435 (*)	(10,118)			(10,118)
<b>Gross profit</b>	<b>772</b>	<b>860</b>	<b>361</b>	<b>91</b>	<b>119</b>	<b>36</b>		<b>2,239</b>			<b>2,239</b>
<b>Operating income (expenses)</b>											
Selling	(278)	(21)	(13)	(9)		(11)		(332)			(332)
General and administrative	(407)	(215)	(88)	(54)	(31)	(128)		(923)	(9)		(932)
Other operating income (expenses), net	301	(178)	27	12	(154)	(80)	(168)	(240)			(240)
	(384)	(414)	(74)	(51)	(185)	(219)	(168)	(1,495)	(9)		(1,504)
<b>Operating profit (loss) before equity results and finance results</b>	<b>388</b>	<b>446</b>	<b>287</b>	<b>40</b>	<b>(66)</b>	<b>(183)</b>	<b>(168)</b>	<b>744</b>	<b>(9)</b>		<b>735</b>
<b>Result from equity investments</b>											
Equity in the results of investees	61	32	1			318	72	484	112	(112)	484
Realization of other comprehensive income on disposal of investments	3							3			3
	64	32	1			318	72	487	112	(112)	487
<b>Finance results, net</b>											
Finance income	444	75	114	7	57	130	(66)	761	9		770
Finance costs	(731)	(156)	(206)	(41)	(72)	(122)	66	(1,262)			(1,262)
Results of derivative financial instruments	(53)	(1)				(33)		(87)			(87)
Foreign exchange gains (losses), net	(73)	(8)	15	3		(20)	(14)	(97)			(97)
	(413)	(90)	(77)	(31)	(15)	(45)	(14)	(685)	9		(676)
<b>Profit (loss) before income tax and social contribution</b>	<b>39</b>	<b>388</b>	<b>211</b>	<b>9</b>	<b>(81)</b>	<b>90</b>	<b>(110)</b>	<b>546</b>	<b>112</b>	<b>(112)</b>	<b>546</b>
<b>Income tax and social contribution</b>											
Current	(73)	(113)	25	(28)	(24)	10	(1)	(204)			(204)
Deferred	46	(10)	(272)	13	51	120	4	(48)			(48)
<b>Profit (loss) for the semester from continuing operations</b>	<b>12</b>	<b>265</b>	<b>(36)</b>	<b>(6)</b>	<b>(54)</b>	<b>220</b>	<b>(107)</b>	<b>294</b>	<b>112</b>	<b>(112)</b>	<b>294</b>
<b>Discontinued operations</b>											
Loss from continuing operations	(146)					(140)		(286)			(286)
<b>Profit (loss) for the semester</b>	<b>(134)</b>	<b>265</b>	<b>(36)</b>	<b>(6)</b>	<b>(54)</b>	<b>80</b>	<b>(107)</b>	<b>8</b>	<b>112</b>	<b>(112)</b>	<b>8</b>
Profit (loss) attributable to the owners of the Company	(83)	194	(36)	(14)	(54)	79	(76)	10	112	(112)	10
Profit (loss) attributable to non-controlling interests	(51)	71		8			(30)	(2)			(2)
<b>Profit (loss) for the semester</b>	<b>(134)</b>	<b>265</b>	<b>(36)</b>	<b>(6)</b>	<b>(54)</b>	<b>79</b>	<b>(106)</b>	<b>8</b>	<b>112</b>	<b>(112)</b>	<b>8</b>

(\*) Relates to the net revenue from electric energy operations to CBA and VCSA.

(\*\*) Relates to long steel operations abroad (Argentina and Colombia).

(d) Adjusted EBITDA - business segments

	1/1/2018 to 6/30/2018									
	Votorantim Cimentos	Nexa Resources	CBA	Steel (**)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Total, consolidated
Net revenue from products sold and services rendered	5,738	4,553	2,558	912	1,956	588	(1,319) (*)	14,986		14,986
Cost of products sold and services rendered	(4,844)	(3,347)	(2,073)	(810)	(1,862)	(526)	1,319 (*)	(12,143)		(12,143)
<b>Gross profit</b>	<b>894</b>	<b>1,206</b>	<b>485</b>	<b>102</b>	<b>94</b>	<b>62</b>		<b>2,843</b>		<b>2,843</b>
<b>Operating income (expenses)</b>										
Selling	(318)	(31)	(17)	(10)		(12)		(388)		(388)
General and administrative	(377)	(268)	(87)	(52)	(42)	(150)		(976)	(7)	(983)
Other operating income (expenses), net	140	(172)	81	28	92	61	(111)	119		119
	(555)	(471)	(23)	(34)	50	(101)	(111)	(1,245)	(7)	(1,252)
<b>Operating profit (loss) before equity results and finance results</b>	<b>339</b>	<b>735</b>	<b>462</b>	<b>68</b>	<b>144</b>	<b>(39)</b>	<b>(111)</b>	<b>1,598</b>	<b>(7)</b>	<b>1,591</b>
<b>Plus:</b>										
Depreciation, amortization and depletion - continuing operations	520	475	153	56	25	17		1,246		1,246
<b>EBITDA</b>	<b>859</b>	<b>1,210</b>	<b>615</b>	<b>124</b>	<b>169</b>	<b>(22)</b>	<b>(111)</b>	<b>2,844</b>	<b>(7)</b>	<b>2,837</b>
<b>Plus:</b>										
Dividends received	13				8	76	(8)	89	55	144
<b>Exceptional items</b>										
Loss (gain) on sale of investments, net			(111)			(8)	111	(8)		(8)
Reversal for impairment - fixed assets	(9)		(2)					(11)		(11)
Fair value of biological assets						6		6		6
Gain by adjustment to fair value in deconsolidation of VTRM					(147)			(147)		(147)
Other						77		77		77
<b>Adjusted EBITDA</b>	<b>863</b>	<b>1,210</b>	<b>502</b>	<b>124</b>	<b>30</b>	<b>129</b>	<b>(8)</b>	<b>2,850</b>	<b>48</b>	<b>2,898</b>

(\*) Refers to Votener's sale of electricity to CBA and VCSA.

(\*\*) Relates to long steel operations abroad (Argentina and Colombia).

Notes to the condensed consolidated interim financial statements  
at June 30, 2018

All amounts in millions of reais unless otherwise stated

VOTORANTIM

1/1/2017 to 6/30/2017

	Votorantim Cimentos	Nexa Resources	CBA	Steel (**)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Total, consolidated
Net revenue from products sold and services rendered	4,992	3,391	2,350	759	1,877	423	(1,435) (*)	12,357		12,357
Cost of products sold and services rendered	(4,220)	(2,531)	(1,989)	(668)	(1,758)	(387)	1,435 (*)	(10,118)		(10,118)
<b>Gross profit</b>	<b>772</b>	<b>860</b>	<b>361</b>	<b>91</b>	<b>119</b>	<b>36</b>		<b>2,239</b>		<b>2,239</b>
<b>Operating income (expenses)</b>										
Selling	(278)	(21)	(13)	(9)		(11)		(332)		(332)
General and administrative	(407)	(215)	(88)	(54)	(31)	(128)		(923)	(9)	(932)
Other operating income (expenses), net	301	(178)	27	12	(154)	(80)	(168)	(240)		(240)
	<b>(384)</b>	<b>(414)</b>	<b>(74)</b>	<b>(51)</b>	<b>(185)</b>	<b>(219)</b>	<b>(168)</b>	<b>(1,495)</b>	<b>(9)</b>	<b>(1,504)</b>
<b>Operating profit (loss) before equity results and finance results</b>	<b>388</b>	<b>446</b>	<b>287</b>	<b>40</b>	<b>(66)</b>	<b>(183)</b>	<b>(168)</b>	<b>744</b>	<b>(9)</b>	<b>735</b>
<b>Plus:</b>										
Depreciation, amortization and depletion - continuing operations	482	430	176	53		35	(5)	1,171		1,171
<b>EBITDA</b>	<b>870</b>	<b>876</b>	<b>463</b>	<b>93</b>	<b>(66)</b>	<b>(148)</b>	<b>(173)</b>	<b>1,915</b>	<b>(9)</b>	<b>1,906</b>
<b>Plus:</b>										
Dividends received	34		25			116		175	51	226
<b>Exceptional items</b>										
Loss (gain) on sale of investments, net		(16)	(168)				168	(16)		(16)
Reversal for impairment - fixed assets	(14)		(23)					(37)		(37)
Fair value of biological assets						13		13		13
Other						47		47		47
<b>Adjusted EBITDA</b>	<b>890</b>	<b>860</b>	<b>297</b>	<b>93</b>	<b>(66)</b>	<b>28</b>	<b>(5)</b>	<b>2,097</b>	<b>42</b>	<b>2,139</b>

(\*) Refers to Votener's sale of electricity to CBA and VCSA.

(\*\*) Relates to long steel operations abroad (Argentina and Colombia).

## 32 Subsequent events

On July 23, 2018, the Company approved to its parent company Hejoassu Administração S.A., the amount of R\$ 256 corresponding to dividends related to part of the balance of the "Profit Reserves" account accumulated up to December 31, 2017.